emperative

ssembly ,

J. 11 21 41 22 22

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The intimate letters of two intriguers

Max Beaverbrook (left) and Brendan Bracken exchanged their secret thoughts on political life for

Page I



Tom Fort Fishing: On the rocks in beautiful, bureaucratic Bulgarla Revealing dealings

Patrick Harverson explains how investors can profit from watching directors buy and sell their own companies' shares



Horse sense Michael Thompson-Noci, part

owner of Bold Fox, reveals almost all; plus Jane Fuller on the World **Equestrian Games** Gale-force Mellor

D 8523A

Page XVIII

**Dow Jones** 

Industrial Average

# EUROPE'S BUSINESS NEWSPAPER FINANCIALTIMES



FT No. 31,211 THE FINANCIAL TIMES LIMITED 1990

Weekend July 28/July 29 1990

**WORLD NEWS** 

Government

survives split

Italian

**BUSINESS SUMMARY** 

# Montedison in merger

MONTEDISON, leading Italian The Italian Government narrowly survived a split in the dominant Christian Democrat party over a new law which provides a regulatory framework for Italian television. Five senior ministers resigned over the issue. Page 2

Nigeria executes 42 Nigeria's military rulers executed 42 people by firing squad for trying to overthrow the Government of President Ibrahim Babangida on April 22. Nine others were jailed. It was not clear whether any civilians were shot.

Waddington 'horrified' David Waddington, the Home Secretary, said he was "horrified" by police fears that up to 20 boys could have been killed by paedophiles in "snuff videos," which are reported to show the sexual abuse and murder of children. Detectives are studying the files of boys who have disappeared over a six-year period.

Pope calls for peace The Pope called for an end to terrorism in Northern Ireland in a message sent to mourners at the funeral of Sister Catherine Dunne, who died in an IRA bomb explosion in County Armagh earlier this week.

Record damages award An airline pilot who was paralysed after a motorcycle accident was awarded damages of £1.57m at the High Court in London. It was the highest court award in a claim for personal injury compensation. Page 5

Pretorie call oz Slovo. The South African Government has said it wants communist leader Joe Slovo removed from the African National Congress team negotiating political reforms. Pretoria tests ANC/ Communist loyalty, Page 3

Hong Kong minister Lord Caithness, the former Paymaster General, is to take over as minister with responsibility for Hong Kong.

Royal book banned A High Court ban has been imposed on publication of a book written by former Buckingham Palace aide about life in the Royal Household. The ban on Courting Disaster prevents the book being published

anywhere in the world. Abortion bill vetoed The Governor of Louisiana has vetoed a bill that would have banned most abortions

in the state and subjected doctors to up to 10 years in prison. Jail protest Prisoners at Armley Jail. Leeds, held a sit-in protest, the second in successive days.

Nearly 40 prisoners on remand refused to leave the exercise yard at the jail, which prison officers claim is the most overcrowded in Britain. Fifth 'mad cat' dies

A fifth cat has died with a brain illness of the same type as "mad cow" disease.

Test record for Gooch England captain Graham Gooch became sixth on the all-time Test record list by scoring 333 runs against India in the second day of the Test. England declared at 653 for

Laughing matter Experts gathering at Sheffield University for the eighth international conference on humour will discuss what makes people laugh.

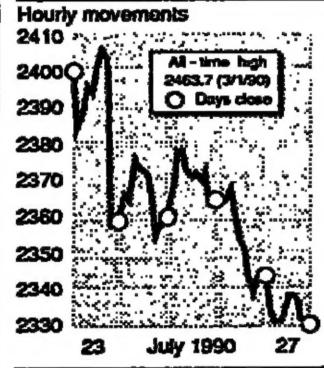
# with Ferruzzi

chemicals concern, is merging with Ferruzzi Agricola Finan-ziaria, the agro-industrial holding company of the Ferruzzi group, to create one of the biggest industrial conglomerates in Italy. Page 22; Lex, Page 22 LLOYDS BANK: Provisions against bad debts in the UK wiped £190m from Lloyds' pretax profits for the half year ending in June, which reached

only £408m, well below market expectations. Page 22: Page 8; Lex, Page 22 USSR: An unprecedented IMF mission to Moscow was hailed by a senior Soviet official as a first step towards the country's membership of the finan-

cial institution. Page 22 EQUITIES: A firm pound added to the list of bearish pressures on a UK stockmarket still suffering from the effects of this week's batch of alarming corporate profits reports. The

FT~SE 100 Index



FT-SE index lost 70 points this week as both domestic and transatlantic factors turned sour. London Stock Exchange. Page 13

ALAN BOND, Australian businessman, is to take legal action against the biggest shareholders in British Satellite Broadcasting over losses of about 190m suffered when his stake m the venture was cliuted. Page 4; Page 10

AUSTRALIA'S trade performance remained poor last month with a current account deficit of A\$1.575bn (£678m), down slightly on May's revised figure of A\$1.632bn. Page 3 **BAT Industries** is considering seeking a US Supreme Court review of a New Jersey state court decision allowing liability cases to be brought over

smokers' deaths. Page 3 PHILIP MORRIS, US tobacco and consumer products group, said that it had no intention of changing the terms and conditions of its tender offer to shareholders of Jacobs

Suchard, Swiss chocolate and coffee group. Page 10 IBM is to reshape its European

organisation to give national managers international responsibility for the business sectors in which they are strongest. Page 10

PHILIPPINES Government wants to negotiate maximum relief on its foreign debt after the earthquake in central and northern Luzon. Page 3

**BRITISH STEEL seems set for** further controversy over its strategy in Scotland after company chairman Sir Robert Scholey cast doubt over the prospects for three Scottish plants. Page 8

NORTHPRINT, Manchester newspaper printers, is to close with the loss of more than 650 jobs. The company prints the Manchester Evening News and the northern editions of the Daily Mail, The Mail on Sunday and The Guardian.

Sep 85-5 (84-32)

A Geneva deal will force up petrol costs and add to world inflation pressures

# Opec to raise price of oil by year end

By Steven Butter in Geneva

Organisation of **Petroleum Exporting Countries** yesterday agreed measures to lift the price of oil by more than \$4 a barrel by the end of the year - the first increase in the cartel's price target since

At a ministerial conference in Geneva, Opec adopted \$21 (£11.44) a barrel as its "minimum reference price." This compares with the previous reference price of \$18 and a current market price of about \$17 a barrel for Opec oil.

The meeting looks certain to mark an important turning point for Opec as it shifts attention to increasing prices gradually. For the past four years it has sought primarily to recover the share of the world oil market which it lost in the early 1980s when high oil prices stimulated a big increase in non-Opec production.

If the agreement succeeds it will eventually cause petrol prices to rise and add to worldwide inflationary pressures. The agreement was well-received in the market, where

the price of Brent oil for September delivery rose by 17.5 cents a barrel to close at \$19.525 in European trading. The decision to try to lift prices was precipitated by threats from Mr Saddam Hussein, the Iragi President, against Kuwait and the United Arab Emirates, which pro-

BRITISH and other European

banks have fired their first

shot against proposals by the

European Commission to cut

the cost for customers of

cross-border payments within

The European Banking Fed-

eration, representing the Com-

munity's banks, has written

this week to Sir Leon Brittan,

financial services commis-

sioner, expressing concern at a

draft of a green paper which is

due to be put to the full Com-

mission after the summer

the Community.

Oil prices reference price\_ blend crude Source : Petroleum Argus

duced much more than their Opec-assigned quotas and drove down world oil prices. This is the first time that Opec members have threatened each other over violations of Opec agreements, and President Saddam's stance is expected to force a renewed discipline on the cartel. President Saddam had called

for Opec to lift prices to \$25 a barrel although Iraq was forced to compromise with the majority of Opec ministers who favoured a more modest increase. Mr Issam al-Chalabi, the Iraqi Oil Minister, nonetheless said he was happy with the agreement. Venezuela argued strongly

against lifting prices above \$20 a barrel for fear of destroying the market for its oil. Saudi

some of the lucrative commis-

sions which banks charge for

converting one currency into

existing European payments

system is inefficient and expen-

sive for consumers and that

clearing procedures by the

banks for cross-border pay-

ments should be standardised

and operate like those within a

ple, that a British bank cus-

tomer would be able to pay a

This would mean, for exam-

Sir Leon argues that the

By Lucy Kellaway in Brussels and David Barchard in London

another.

single country.



Iranian Oil Minister Gholamreza Aghazadeh tell reporters of the Opec agreement

Arabia, which has the world's largest oil reserves, also exerted a moderating influ-

Mr Hisham Nazer, the Saudi Arabian minister, said that \$21 a barrel was attainable by the end of the year. The agreement fixed the

Opec production ceiling at 22.5m b/d for the second half of the year. Opec production has

Banks attack EC move to end commissions

sterling account without incur-

ring the delay and heavy com-

missions experienced by con-

Sir Leon believes that the

benefits of a single market in

banking and financial services

cannot be realised while Euro-

pean banks make it so difficult

to move money around. Prog-

ress towards monetary union

will make smoother payments

transfers more necessary than

The policy document will

examine means of facilitating

sumers today.

in the past.

been falling toward this level since it peaked at about 24m b/ d in March. The excess production has left world stock levels at the highest since the early

Quotas for individual countries were unchanged compared with the last agreement. with the exception of the UAE, whose quota was increased to

or by credit cards. It will rec-

ommend that a link should be

established between national

automatic clearing houses,

which would apply first to elec-

tronic transfers and then to

cheques. It would put an end to

the cumbersome system of cor-

respondent banks, when it can

take several weeks for a pay-

ment to be made from an

account in one member state

that the continued existence of

foreign exchange commissions

are incompatible with the

move towards monetary union.

Sir Leon is also concerned

to another.

 Victor Mallet writes: In Washington, the US Senate voted yesterday to impose economic sanctions on Iraq. The latest signals from Bagh-

Once exchange rates have been

fixed, all bank notes would

have to be changed at the fixed

rate in question, with no com-

The green paper will make

clear the need to have arrange-

ments in place before the

advent of the single market at

the beginning of 1993. It will

ask for responses from member

states and from the banking

industry by the end of the

year. But banks have begun to

lobby against the proposals

even before they have been

made known officially.

Lloyds results, Page 22

mission deducted.

dad, however, suggest that Iraq will continue to take a hard line against the much weaker state of Kuwait in forthcoming negotiations between the two

#### Dollar and stocks fall as growth weakens

By Peter Riddeli in Washington

THE dollar fell sharply and US equities weakened yesterday on second quarter gross national product figures showing sluggish economic activity with no immediate sign of any improvement.

GNP grew at an annual rate of just 1.2 per cent in real inflation-adjusted terms from April to June. This follows expansion of 0.3 and 1.7 per cent in the previous two quarters respectively (revised down from rates of 1.1 and 1.9 per

Moreover, even the very limited growth in the second quarter reflected a big build-up of inventories, notably by US car groups ahead of a possible strike later this year.

By contrast, consumer demand and business investment both declined. With the export performance weaker than before, real final sales dropped at an annual rate of 1.5 per cent.

Mr Michael Darby, Commerce Department under-secretary, said he expected stronger growth in the second half of this year in response to higher exports and business invest-

Most private sector economists are more pessimistic, forecasting a continued weak level of activity and saying the economy is very near reces-Continued on Page 22 Man in the News: Alan Greenspan, Page 8; Money Markets,

Page 11; Wall Street, Pages 18

#### cheque denominated in payments made in cash, by break. electronic transfer, by cheque The draft proposes to end another EC currency into a UK Tax-capped Labour council to

make 1,100 workers redundant

By John Authers and Emma Tucker

A COUNCIL in north-east England, whose poll tax level has been capped by the Government, is to make 1,100 workers redundant - more than an eighth of its staff. The job cuts are the heaviest yet made by any of the 21 capped

councils. The Labour-controlled North Tyneside Council has had its budget cut by the Government by £8m, which brings its poll tax down from an initial £399 per head a year to £353.73.

The council said yesterday most of the job cuts would be among office workers - it would avoid initial redundancies of teachers and staff dealing with the public. The Department of the Environment insisted that North

Tyneside's budget had been capped because its original level was excessive. It was up to the authority to decide where to make reductions. Separately, the DoE has released figures on how much councils are spending on collecting the tax. The sums range from £45.05 per head in

Westminster in London - a quarter of the Conservativecontrolled council's poll tax level - to £3.69 per head in South Typeside.

Westminster accepted its figure of £45.05 as accurate and blamed it partly on the high number of "second homes" owned in the area. In South Tyneside, however, the council said that the cost must be "at least five times more expensive" than the estimate.

Harlow, which has the fourth highest cost of collection on the DoE's estimates. did not dispute the figures, but commented that the council had been praised by the Audit Commission for its efficient rate-collecting.

The Commission, which acts as a watchdog on local expenditure, recently started a survey of good practice in poll tax collection.

The Association of Metropolitan Authorities cast doubt on the DoE figures, saying that the wide divergence suggested

expenditure, and that the costs in urban areas with transient populations must be greater. The DoE disagreed, pointing to the £7.25 cost for Birming-

ham charge-payers. "This obviously goes to show that there are savings to be made for any type of local authority," it said. The Department added that the total administration costs indicated, of around £400m, were "pretty much identical" to its original estimates. The previous system of property rates, with half as many payers, cost half as much to administer, at £200m. Mr Chris Patten, the Envi-

ronment Secretary, will take legal action against Labour-controlled Haringey in London, which accepted the cap on its budget, but refused to cut its poll tax level by as much as the DoE had asked. Mr Patten has applied for

judicial review and an injunction to stop the council issuing bills for £536, compared to the DoE level of £508. Labour's business rate plans,

that councils were inconsistent in the way that they recorded

13 Landon Options ...

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Share information .... 19-21

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28/7

MARKETS

STERLING New York lunchtime: London \$1.8345 (1.8135) DM2,9625 (2,9425) FFr9.2 (9.8575) SFr2.51 (2.4975) Y274.5 (272.75) £ index 93.9 (93.1) GOLD

FFr5.3955 SFr1.363 Y149.135 FFr5.4075 (5.435) SFr1.368 (1,377) Y149.6 (150.45) \$ index 65.1 (65.4) Tokyo close: Y150.75 US LUNCHTIME RATES Fed Funds 8% M SEA Off. (Argus) 3-mo Treasury Bills: Brent 15-day Sep yield: 7.75% \$19.525 (19.35) Long Bond: 100张 Chief price changes yield: 8.5% yesterday: Page 22

STOCK INDICES FT-SE 100: 2,330.1 (-14.0) FT Ordinary: 1,842.1 (~9.4) FT-A All-Share: 1,148.93 (-0.5%) DJ Ind. Av. 2,907.18 (-13.61) S&P Comp 354.23 (-1.68) Tokyo: Nikkel 30,863.48 (-506.27) LONDON MONEY 3-month Interbank: closing 1431% (same) Lifte long gift future:

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Bourses \_\_\_\_\_ 18,19

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**New York: Comex Aug** \$368.0 (369.6) London: \$367.5 (368.5)

DOLLAR **New York lunchtime:** DM1.6145 (1.6225)

New York lunchtime:

Tennis rules .... Chance to boost the net effect

F

By Quentin Peel in

COLONEL-GENERAL Albert Makashov, the conservative Soviet military commander who launched a devastating attack on perestroika and President Mikhail Gorbachev last month, has been removed from his job and sent abroad, according to well-placed Moscow officials.

The man who accused the Government and Communist Party leadership of "ideological surrender" has been banished to the obscure job of military counsellor in Iraq, according to the Soviet officials. He was the military commander of the important Volga-Urals military district, a job he had held only since September last year.

The move is a clear implementation of President Mikhail Gorbachev's warning that senior officials must back the government line, or quit although there is no evidence that General Makashov has resigned.

A senior Western military attaché warned vesterday that it was likely to cause consternation in the ranks of conservative officers, for whom General Makashov had become the most visible spokesman since his outspoken attack at the Russian Communist Party Congress in June.

The question is whether it is likely to cause a backlash, with more officers daring to attack the Soviet regime openly, or whether President Gorbachev's old-fashioned banishment of the general will reimpose military discipline.

General Makashov, who was a gold medal winner at the General Staff Academy in 1982. but always a field commander. had continued to speak out after the congress, rejecting any suggestions that he should

"I would agree to resign only in one case: if the entire yellow press would retire with me." he told the army newspaper Son and Fatherland in a recent interview.

He refused to take back any

of his criticism. Everything created by the colossal labour of the Soviet people has been destroyed," he

# HOSE who study the Soviet

Sovietology thrives as political leaders seek utopia John Lloyd finds that students of eastern Europe are enjoying their recently found popularity

East European Studies in the York-Union and the East European countries are among the happier of the world's intellectuals. Their discipline, long conducted with difficulty and, for many, in some obscurity, now has a light shining upon it. They are interviewed on radio and television, invited to write for the newspapers and to give advice to

investment analysts. Their books are published. They can visit the countries in which they specialise as often as their departmental budgets allow. have much greater access to the archives and can talk to their fellow scholars without fearing that an honest talk will lead to trouble for both. They are no longer ritually denounced as "bourgeois falsifiers": on the contrary, they are now, often,

invited to give seminars, to advise, to The World Congress of Soviet and

By Quentin Peel in Moscow

DETAILS of a new threat to

the Soviet harvest emerged

yesterday with reports that

farm workers have set up

strike committees to demand

better equipment and living

conditions - otherwise they

revolt" was published on the

front page of Pravda, the Com-

munist Party newspaper, in

the latest warning of potential

havoc in the Soviet harvest

A string of top Soviet offi-

cials, including Mr Nikolai

Ryzhkov, the Prime Minister

and Mr Boris Yeltsin, president

of the Russian parliament.

have expressed alarm that an

expected bumper crop may be

put in jeopardy by lack of fuel

and machinery and by refusal

of city workers to provide their

to have sparked a backlash by

farm workers, reported from

Kostroma on the Volga river

north of Moscow, from Perm in

the Ural mountains, and from

Strike committees have been

set up in the countryside

around Kostroma, a town

whose miserable food supplies

were reported in the Soviet

press more than two years ago.

**ADVERTISEMENT** 

Karaganda in Kazakhstan.

Those problems appear now

usual help.

The threat of a "peasants'

will withhold their produce.

hit Soviet harvest

shire spa of Harrogate this past week has thus been both hard working and spirited, as some 3,000 western scholars debated freely with each other, and their east European counterparts. Yet if there was a composite view from the hundreds of seminars and plenaries, it was one of foreboding, even of scholarly fear - especially over the future of the Soviet Union, the focus of the interest.

Professor Alec Nove, the doyen of British sovietologists, talked of "premonitions of imminent collapse" drifting up like a miasma from the Soviet intelligentsia whom he knows so well. Prof Anders Aslund is a Swedish scholar who spent some years as Sweden's economic counsellor in Moscow and his chronicling of the people and institutions who have made - or failed to make - perestroika is unsurpassed. He brutally dismissed the past

'Peasant revolt' may Belorussia

The farm workers are furi-

ous at the high wages

demanded by city workers for

helping with the harvest and

at failure of urban areas to

allocate enough fuel and

not realise the state rural areas

are in," Mr L. Shamkov, chair-

man of the district strike com-

mittee, told Prayda, "Fodder

production is now under way

and we lack the technology.

our machinery is a mixed bag

of good and bad, and we have

real problems with spare parts.

broken down, and we are left

to chance. The rural areas

have finally been brought to

their knees and have been left

alone to cope with the har-

The Kostroma collective

farms are demanding official

action to supply harvesters and

threatening to withhold food

between town and countryside

was reported from the Kara-

ganda Soviet coalfield. There

the regional council of Michu-

rinsk has issued an ultimatum

to neighbouring towns to send

city dwellers to the fields or

they will cut off food supplies,

Pravda said.

The same open conflict

supplies unless they get it.

"The supply network has

"You in Moscow simply do

machinery for harvesting.

year, in which the Soviet Government was meant to have produced a great leap forward to the market, as "completely wasted in the matter of economic reform."

And so on. Dr Eberhard Schinke of the University of Giessen in West Germany said that Soviet agricultural output in the 1980s had barely kept pace with the 1 per cent rise in the population, and was now declining: even so, it had a better record than industry.

The new forms of private farming had failed to catch on, both because peasants refused to take the responsibility and because no preparation had been made for the new system. or support offered to it.

Prof Lahrs Ohlsson from Sweden's Uppsala University, in a careful study of the co-operatives - touted as the harbinger of the market - has found that they are increasingly unpopular, increasingly attacked and often corrupt (in part because they are forced to be to survive). As in the case with private farms, "no adaptation had been made of the economic and administrative environment."

Prof Archie Brown, a leader among the younger (middle-aged) generation of British sovietologists chronicled the Party's withering away. First it accepted the ending of its leading role, then the theory and practice of a "separation of powers" between it and the state," and finally admitted the emergence of political pluralism. This is more hopeful ground (though as Prof Michael Rywkin of the City University of New York noted, the Soviet elite have "yet to accept the end of

empire"): but it is still marshy. In an intriguing presentation, Dr Richard Sakwa of the University of Kent proposed that the Soviet Union remained, essentially, utopian in its political reflexes: it was now attempting to pass from an extreme form of collectivism to a finer kind of society which borrows features and institutions from the West but at the same time surpasses it in that it remains (indefinably) socialist while the West remains trapped in the divisiveness of capitalism.

Unlike Poland, Hungary and Czechoslovakia, all of whose political élites have unambiguously said that they wish to construct a "normal" society using Western models, the Soviet leaders still hanker after a larger destiny.

This is not idle dreaming while being driven to the dacha in the Zil limo: it is functional politics. History, for the Soviets, has not ended, there must be another way, between barracks communism and capitalism. The drama continues. Sovietology, at least, is not dead.

# W German anti-terrorist chief escapes bomb attack on car

Hans Neusel stands close to his damaged car shortly after the bomb attack

By David Marsh in Bonn

MR HANS Neusel, state secretary in the West German Interior Ministry, narrowly escaped death when the Red Army Faction (RAF) urban guerrilla group bombed his car as he drove to work yesterday morning in Bonn.

The attack was chillingly similar to the blast which killed Mr Alfred Herrhausen, chief executive of the Deutsche Bank, late last year. It amounted to a new warning that German terrorists are maintaining their threat in spite of recent swoops by German police against former RAF members living in Germany.

Mr Neusel, a 62-year-old working at the hub of Bonn's anti-terrorist effort, was slightly wounded in the attack. set off by a remote controlled explosive planted by the side of ern Bonn. He was quickly discharged after a brief hospital

survived largely

unscathed because his chauffeur was on holiday, and he was driving himself to work yesterday. If he had been sitting, as usual, in the passenger's seat, he would have been caught by the full force of the bomb.

Mr Neusel appeared calm and composed as he appeared before the Bonn press corps yesterday shortly before midday, only four hours after the detonation. He issued an appeal for the terrorists to desist from their "criminal and depraved actions" and patiently answered questions about his reaction.

He has refused an armourplated car and police protection on the grounds of cost. He said he was one of "thousands" on the possible list of targets. "It is impossible to give 100 per cent protection to an unlimited number of people," he said. However, he admitted he thought that he would not be

in danger travelling at 70 kph

along a motorway intersect

Police yesterday found near the scene of the explosion a letter from the RAF claiming responsibility and describing Mr Neusel as a member of the fraternity of "fascist beasts." The message said the attack was made in the name of José Manuel Sevillano, a member of the Spanish revolutionary group Grapo, who died in Madrid in May after a 177-day hunger strike.

 West Berlin authorities said yesterday they had arrested a 32-year-old West German of Arab origin on charges of organising on April 1986 homb attack on off-duty US soldiers in a city discotheque, Reuter reports from Berlin.

Then President Ronald Reagan blamed Libya for the attack, in which two American servicemen and a Turkish woman died, and sent US airforce jets to bomb Tripoli in

# tries at State Shareholdings.

The European Investment

comed the plans to make the

reports. He was a commentator for the newspaper Le Figaro and the news magazine l'Express.

## Ford closes plant

Ford has closed its car plant in Brazil indefinitely after it was ransacked by striking workers for the third time in a week, reports Christina Lamb in Rio

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Birmiogharo Midshires	Ordentum Plus	12.25	12.25	Yearly	£2,500	90 days not notice 4.6% diff gtd 1 yr
0902 710710) Bradford and Blogley(0274 561545)	Quantum Ultra Maximiser Books	15.75G 10.00	15.75G 10.00	Yearly Yearly	£2,500 £1,000	1 yr 4.6% diff gtd gross to son-taxpays lest, acc/ Boxus for no wtherwis
	Maximiser Bowns	11.00	11.00	Yearly	£10,000	inst. acc/ Bonus for no withdrafs
	Maximiser Option 1 Maximiser Option 3	11.00 11.50	11.00 11.50	Yearly Yearly	£2,500 £2,500	1 miles, no/penalty (10,55 milely fee) 3 miles, no/penalty (11,00 milely lee)
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Catholic (071-222 6736/7)	Jobliee Band (I)	10.40	10.40	Appeally Mosthly	£25,000 £1,000	60 day not/pen unless \$10K remains, instact 60 Day notice, 10.76% monthly tir.
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Chebra (071-602 0006)	Special Opt. Acc.	12.00	12.00	Yearly	\$25,000	Wds avail at no penalty £1000 +11.00 30 days/knam pen, £10,000
Cheltenham & Gloucester	Cheltenham Gold	11.00	11.00	Yearty	COE 000	+11.50 lost aux, £25,000 +12.00 inst acc Instant access/
(0452) 372372	Cheltenham Gold	10.75	10.75	Yearty	£25,000 £5,000	Monthly Income option
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	Cheshastcash	11.00	11.00	Yearly	£20,000	Instant access. Thered a/c
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took borrows arms market	Special Notice 2	16.00	16.00	Yearly	\$2,500	Gross to qualifying non taxpayers
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## declares sovereignty By Leyla Boulton in

TRADITIONALLY servative Belorussia became the latest Soviet republic yesterday to declare its sovereignty in a fresh nationalist challenge to Kremlin domina-

Belorussian news agency Belta said that the western republic's parliament unanimously passed a declaration of sovereignty, although only 230 of the 350 deputies were in the chamber.

The scope of the declaration was not immediately clear, but Belorussia is unlikely to have gone as far as the neighbouring Russian Federation or the Ukraine, the country's two biggest republics.

In recent weeks, in addition to declaring its sovereignty. Russia has announced it is taking control of all resources on its territory, including banks. while the Ukraine has unveiled plans to become a neutral state with its own security forces.

With a population of 10m still dominated by the Communist Party, Belorussia has been a relative late-comer in joining the growing nationalist clamour that has already engulfed Moldavia, Georgia, Uzbekistan, and a string of other republics. The three Baltic republics, meanwhile, are pursuing nothing less than full independence.

Although President Mikhail Gorbachev has already launched negotiations for a new union treaty of sovereign republics, many are pre-empting its conclusion with unilateral assertions of sovereignty. In a separate development,

hundreds of Georgians calling for a genuine multi-party sys- a motorway slip road in northtem yesterday staged a sitdown protest on a railway line outside the town of Samtredia. Tass, the official Soviet news agency, said the protest later spread to the regional capital of Sukhumi, where railway workers went on a sympathy

#### Burmese junta breaks promise

Burma's army rulers yesterday reneged on promises not to interfere in the process of forming an elected civilian government, saying they must first approve a new constitution, Reuter reports from Ran-

The constitution would still be drawn up by the elected national assembly as agreed, but it must conform to guidelines laid down by an armyappointed "convention" and be put to a referendum before the opposition National League for Democracy, victors in elections last May, could take

# E Berlin parties bury dispute

By Leslie Colitt in East Berlin EAST Germany's Social

Democrats (SPD) yesterday buried a coalition dispute with Mr Lothar de Malzière's Christian Democrats (CDU) after agreement was reached on the terms of forthcoming all-German elections.

The SPD, claiming victory in its main demands, agreed to remain in the governing coali-tion, while the small Liberal Party said it would consider returning after walking out last week.

The SPD leadership said the compromise formula - joint all-German elections next December 2 and a unified electoral law - was the result of

its proposals.

Mr de Maizière was some-

what ignominiously forced to back down by Bonn on his

demand for separate elections on December 2. The Prime Minister, along with the West German CDU and its Bavarian CSU ally, had pushed for a separate ballot to improve their election chances.

Attempting to salvage what he could from the outcome. Mr de Maizière said it was made possible by his decision to refer the dispute to the German Unity committees of the East and West German parliaments. which reached a compromise formula on Thursday.

"The supports for the bridge were thus erected which enabled the SPD to achieve a consensus with the CDU," a Government spokesman

Both sides agreed to a common minimum vote in the elec-

tions, under which a party would not enter parliament, but postponed naming a figure. West Germany's Bundesbank, the central bank, yesterday confirmed that the East German Government will tap the international money market for the first time for short-term funds to help finance the initial costs of currency and economic union between the two countries, Andrew Fisher reports from

Frankfurt. Banks will be able to tender for the issue of notes next week. West Germany's Finance Ministry will guarantee the notes, which will have maturi-

roads and allow Mr Boulanger

to enter without denting his

That was in 1935. It took 14

years to get the idea to work,

interrupted by the war, when

Citroen stubbornly refused to

hand over a prototype of the

2CV to the German occupiers,

even after they offered to pro-

vide a prototype Volkswagen

The first model, unveiled at

bowler on the door frame.

ties of a year and 11/2 years. It is believed the size of the issue could approach DM1bn

#### France's ugly duckling reaches end of the road By William Dawkins in Paris

AN UGLY but deeply loved symbol of French rural life received the coup de grace yesterday, when Citroen ended

production of the 2CV, 41 years - and more than 7m vehicles after it went on sale. Production has been limited to a trickle at a plant in Manguaide, Portugal, for the past two years since Citroen, part of the Peugeot group, closed its oldest factory at Levallois just outside Paris, where the "ugly

will start making the profitable but less romantic Citroen AX. The passing of the 2CV nicknamed the deuche, an affectionate form of deux chevaux (two horse-power) is being widely mourned.

duckling" was born. From Sep-

tember, the Portuguese plant

Liberation, the national newspaper for left-wing trendies, marked the occasion with a double-page picture of the car, which achieved the height of chic when the wife of former Socialist Prime Minister Laurent Fabius insisted on driving it to her husband's office.



French orders have doubled

to 40 a day in recent months. as collectors bought stocks. If the 2CV is today a modish Parisian plaything, it started life quite differently, as the first mass-produced car for French country folk. The legendary Mr Pierre-Jules Boulanger, the Citroen managing

director who fathered the 2CV. told his designers to create a cheap car that could carry 50 kilos of potatoes and two people at 60km an hour without consuming more than 3 litres of fuel per 100km

TPV (toute petite voiture), had to cope with France's worst

The vehicle, code-named

the 1948 Paris motor show, was available in any colour as long as it was grey, and had a 875cc engine, the world's smallest. Originally, the 2CV was started with a cord, like a lawnmower, but Citroën decided to replace that with an electric starter as a gesture to female drivers. The 2CV legend includes splendid anecdotes. One of the best is told by Mr Jacques Séguéla, President François

in return

Mitterrand's influential publicity adviser, who broke down in his 2CV when it ran out of oil on an expedition in Bolivia. An oil-less Chilean mechanic got him moving again by feeding bananas into the crank case.

walk out By John Wyles in Rome THE Italian government led by Mr Giulio Andreotti has narrowly survived an unprecedented split within the dominant Christian Democrat (DC) party which led to the resignation of five senior ministers and the threat of a paralysing political crisis. The fact that Mr Andreotti has managed to keep his government on its feet will be wel-

Andreotti

ministers

hangs on as

comed in other European Community capitals concerned about the impact on EC business of an Italian political erisis during the country's current tenure of the EC presidency. But the exceptionally bitter infighting among Christian

Democrats looks set to continue during the coming months and will remain threat to a frail government whose main purpose will be to survive until expiry of its EC responsibilities at the end of the year.

The occasion of the DC split has been the contents of a controversial new law which provides the first ever regulatory framework for Italy's public and private television net-

works. The party's left-wing faction, which represents nearly a third of its membership and is led by former DC leader and prime minister, Mr Ciriaco De Mita, openly contested a number of government positions in a guerrilla campaign aimed at destabilising the DC's current governing majority, which includes Mr Andreotti and his

followers. On Thursday it appeared that a truce had been called, but Mr Andreotti's decision to call votes of confidence on a number of clauses in the television bill prompted the unexpected resignation in the evening of five ministers from Mr De Mita's faction.

They are Mr Mino Martinazzoil at Defence, Mr Calogero Mannino at Agriculture, Mr Carlo Fracanzani at State Shareholdings, Mr Ruiccardo Misasi at the Mezzogiorno Ministry and Mr Sergio Mat-

tarella at Public Instruction. Despite the violence of this move, the DC left says it will support the government in the votes of confidence and in the final vote next week on the

television bill. At the end of a day of frenzied consultations during which he must have considered resignation. Mr Andreotti last night named three nonparliamentarians - so celled "technical ministers" - emone the five new members of his government. Most prominent of the technicians is Mr Franco Piga, chairman of the Consob, the stock exchange regulatory authority, who takes over responsibility for public indus-

#### Czechoslovakia wins £280m loan

Bank will lend Czechoslovakia up to Ecu400m (£280m) over the next three years as part of the wider Group of 24 effort to help eastern Europe, Mr Henning Christophersen, EC finance commissioner, announced yesterday in Prague, David Buchan reports from Brussels.

The EC commissioner welkoruna convertible.

**Economist dies** 

Jean Fourastie, an economist who helped design the reconstruction of postwar France, has died at the age of 83, AP

He also wrote numerous books.

de Janeiro.

Frankfurter Societaets-Druckerei-GmbH, Frankfurt/Main. Responsible editor: Sir Geoffrey Owen, Financial Times, Number One Southwark Bridge, London SE1 9HL. The Financial Times

#### INTERNATIONAL NEWS

# Bush plans big rise in alcohol duty

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MALICA DE ESS.  By Peter Riddell, US Editor in Washington

THE Bush administration has outlined its proposals to raise taxes in order to reduce the budget deficit, but there is no sign of an early agreement with Congressional leaders and talks may drag on well into Septem-

The \$50bn package would be split evenly between higher taxes and spending cuts, including a \$7bn saving on defence and \$16bn off welfare and health payments and farm sub-

The tax side would include increases in federal excise duties to generate more than \$7bn in additional revenue (by, for example, lifting the tax on a six-pack of beer from 16 to 81 cents and on a bottle of table wine from 3 to 76 cents). A further \$3bn would be produced by limiting to \$10,000 the currently unlimited deductions from federal income taxes for state and local taxes.

commercials warning of the threat to the ordinary American, while states with high income taxes such as New York have protested about the adverse impact on them.

Some Republicans are also worried about the administration's desire to freeze for a year and then to limit cost-of-living adjustments on federal and military workers' retirement bene-

After a week of what were intended to be decisive meetings involving President George Bush, negotiators have now virtually given up the goal of an agreement before the planned Congressional recess in early August. Decisions will be taken next week on whether to keep Congress in session and on a

new timetable for the talks. The Democrats have not yet completed their own package though this is likely to involve an increase in the top rate of income tax (as the price for a cut in capital gains tax) as well as increases in excise duties.

#### **GE** agrees penalties for overcharging By Lionel Barber in Washington ...

GENERAL Electric of the US. the diversified defence and electronics group, has agreed to pay \$16.1m (£8.8m) in criminal and civil penalties after overcharging the US Army for a battlefield computer system.

The fine, one of the largest assessed by the Pentagon, is the centrepiece of an agreement between GE and the Justice Department relating to overcharging by the Management and Technical Services Company, a Pennsylvania-based subsidiary of GE's aerospace division.

The settlement also covers other government complaints that GE padded 400 bids that affected 200 contracts in military and space-related activi-ties. GE has settled these disputes through an \$11.7m payment included in the deal with the government.

Earlier this year, GE was convicted in a criminal court case of overcharging the US Army on its original \$254m contract. This week's settlement also includes a promise by GE not to appeal against its conviction or its sentence.

Last February, Northrop Corporation agreed to pay \$17m for falsifying test data on components for the Cruise missile and the Harrier jump-jet.
The largest settlement relat-

ing to military fraud came two years ago when the Sundstrand Corporation paid the US government \$115m for overbill-

#### Tight security for Fujimori

By Sally Bowen in Lima

> TIGHT security measures were in force in Lima ready for the inauguration today of Mr Alberto Fujimori as Peru's president.

> Police fear an escalation of the terrorist activities which both of Peru's principal guerrilla groups embarked on a week ago. Last week's assassination of a leading businessman and department store fire-bombings were followed by a Wednesday night rocket attack on Government Palace itself. The following night subversives blew up electricity pylons plunging the capital into darkness.

The handover ceremonies begin with a Te Deum and Mass in Lima's Cathedral today, followed by the swearing-in of the new president in the Congress building. The leaders of Chile, Bolivia, Argentina, Venezuela, Colombia and Cuba are expected. Mr Fujimori, the son of Japanese immigrants to Peru, is Latin America's first president

of Asian origin.

Objection to Slovo at talks attempts to drive wedge between ANC and its chief ally

# De Klerk tries to ban top to cut deficit communist from ANC team

By Patti Waldmeir in Johannesburg

MR F.W. de Klerk, the South African President, has provoked a confrontation with the African National Congress by opposing inclusion of a prominent communist on the ANC's negotiating team for peace talks due to take place on August 6.

The ANC's national executive committee said it would meet, probably on Monday, to determine its response to Pretoria's request that Mr Joe Slovo, general secretary of the South African Communist party and one of the most powerful ANC leaders, be excluded from a five-man ANC negotiating team. Pretoria alleges that Mr Slovo has been involved in infiltrating ANC guerrillas into South Africa to prepare for insurrection if negotiations with the government fail.

The ANC said Mr de Klerk had expressed a "preference" for Mr Slovo's exclusion when

he met Mr Nelson Mandela. deputy president of the ANC. in emergency session on Thursday night.

ANC officials said it was possible, though not likely that Mr Slovo would be asked to leave the team. If he were asked to do so, this would represent a major rift in the alliance between the ANC and the Communist party, its oldest and closest ally in the antiapartheid struggle.

But it seemed likely last night that some formula could be found to allow Mr Slovo to attend the August 6 talks. which an ANC spokesman said were not in jeopardy. The ANC's response to the Government's request was muted: given the importance of Mr Slovo's position within the organisation, it could have been expected to reject Pretoria's call outright.

Evidence of less than total

support for Mr Slovo could indicate a power struggle within the alliance over the issue of the 30-year-old policy of armed struggle. Some of Mr Slovo's Communist colleagues argue that the ANC must maintain underground military strength in case talks break down; other ANC leaders oppose this approach. Reuter adds from Cape Town: South Africa yesterday abol-

ished the mandatory death penalty for murder and rape, leaving judges to decide whether to impose the death penalty, giving new hope to hundreds on death row. All current death sentences will be now reviewed.

South Africa has one of the highest execution rates in the world, with 172 people executed in 1987. A total of 321 people are on death row. In February President de Klerk ordered a halt to hangings.



Joe Slovo: accused of planning insurrection

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**TSB Trust Company Limited** 

DECISION

Newport 1987

PROJECT: Relocation and

expansion of General Insurance

CRITERIA: Up to 300,000 sq. ft.

purpose built offices. 2,000 people.

Ease of communication. Scope for

DC Gardner Group plc

International Banking Consultants

DECISION

Cardiff 1988

PROJECT: Establish new office

CRITERIA: Good infrastructure

Fast communications with the City.

CRITERIA: Fast growing local

NPI\*

NATIONAL PROVIDENT INSTITUTION

DECISION

Carditf 1988

accommodation needs of a leading

offices. City centre site. 500 people

Quality environment Strong local

BNP

**BNP Mortgages** 

DECISION

Cerdiff 1988

PROJECT: Expansion by the

residential mortgages arm of BNP.

CRITERIA: Dedicated local

infrastructure. High educational

staff. Excellent professional

standards. Quality of Life.

PROJECT: Staffing and

life insurance business with

CRITERIA: 77,000 sq. ft.

substantial growth plans

support Communications.

economy. Banking and corporate

High quality, inexpensive offices.

Enthusiastic and adaptable

to handle financial and human

esource training.

banking activities.

finance opportunities.

expansion.

# opposed by affected parties. The beer industry has run television Pretoria tests ANC/communist unity

Closeness to power is putting a 30-year alliance under strain, writes Patti Waldmeir

SOUTH AFRICANS gather in Soweto this weekend to relaunch what may well turn out to be the last true com-The public relaunch of the South

munist party of the 20th century. African Communist Party - a secretive organisation banned for 40 years until February – comes as its alliance with the African National Congress (ANC) is under strain.

Pretoria has accused the Communist party of conspiring to overthrow the Government, and is resisting the inclusion of the party's general secretary, Mr Joe Slovo, on the ANC's five-man negotiating team at the next round of talks on August 6.

This ultimatum from Pretoria will heighten tensions between the ANC and its oldest and closest ally, the Communist party: to drop Mr Slovo from the negotiating team would look like a public repudiation of the ANC/Communist alliance; but to insist on his presence could mean a breakdown in the talks when both sides say they are keen to proceed swiftly.

It seems unlikely that Mr Nelson Mandela, deputy president of the ANC and its most prominent non-communist, would seek a split at this stage. The Communist party brings to the

alliance two well-organised power bases - the black trade union movement and the guerrilla fighters of Umkhonto we Sizwe, the ANC military wing - as well as the militant youth of South Africa's black townships. Its members occupy many powerful positions on the ANC's policy-making body, the national executive committee, and provide the intellectual backbone for a movement which has relatively few impressive thinkers who are not communists. The ANC, for its part, contributes the unorganised millions who inhabit the centre of black politics.

In a recent interview, Mr Slovo put it this way: "It (the ANC) is a multi-class organisation. It has within its ranks communists, non-communists, anticommunists, workers, capitalists, middle classes. That is the strength of the ANC and it would be a disaster if it were to move away from that position." Mr Mandela, too, has repeatedly affirmed his support for the alliance. But the two sides are finding that

proximity to power is putting strains on the cosy relations of 30-odd years in exile, when it was easy to agree on the broad objective of liberation. Current events, including the Communist party launch on Sunday, could mark the first serious parting of the ways. Pretoria is clearly keen to foster this process: the ruling National Party's future may depend on it forming a coalition with the ANC: but the Communist party is likely to resist this.

Recently a prominent ANC leader, Mr Pallo Jordan, ANC secretary for information, launched a bitter public attack on the Communist party and Mr Slovo. "The political culture nurtured by the Communist party's leadership over the years has produced a spirit of intolerance, petty intellectual thuggery and political dissembling among its membership," he said.

There is also ample evidence of tensions between ANC leaders who believe the organisation should suspend its largely ineffective armed struggle, and those who would continue underground military operations. This split does not necessarily follow party lines; but prominent Communists admit they have organised the infiltration of guerrillas to oppose the Government if talks break down. Mr Mandela (who represents the ANC's more conservative black nationalist camp) has done little to mask his exasperation at them. Indeed, when Mr de Klerk informed

him that Communist party members

(all of whom are automatically ANC members as well) were planning insurgency, Mr Mandela is understood to have declined to oppose their arrest.

The Communist party's efforts underground have come to light as the party is about to reveal its leadership for the first time since it was formed in 1921. Some 24 members of a so-called Interim Leadership Group are to be named, and are likely to include a number of whites and Indians, as well as prominent trade unionists.

They are to address a rally near Soweto, which could attract up to 100,000 people. The party's egalitarian ideology remains powerfully attractive in a country of huge disparities in income and wealth; and though it believes in a relatively slow transition to socialism - Mr Slovo says he will not see socialism in his lifetime, or perhaps that of his children - its support is significant in the townships.

But the party is not promising to reveal the full communist contingent on the ANC national executive. Instead, the status quo is likely to continue: the Communist party will wield influence out of proportion to its potential electoral strength - but largely in

# Philippines considers moratorium on debt

By Greg Hutchinson in Manila

THE Philippine Government wants to negotiate maximum relief on its foreign debt after the earthquake in central and northern Luzon.

Mr Jose Cuisia, central bank governor, said a moratorium on the country's \$26bn debt, a debt cap, concessional loans and waivers on interest payments were all being considered.

Mr Cuisia said it was felt that "a unilateral move is going to be more detrimental to the country" and that a negotiated approach" was preferred.

The earthquake left 1,600 dead, 1,000 missing and 100,000 homeless. More than 20,000 homes were destroyed as well as hotels, government buildings and roads.

The government has been offered a soft loan of \$50m from the Asian Development Bank for agricultural rehabilitation in the area, and Mrs Aquino's government has begun discussions with bilateral and multilateral institutions for \$500m of emergency assistance. Mrs Aquino on Thursday out-

lined a three-pronged approach to debt relief to free resources for reconstruction efforts. First, the government wanted a debt and interest reduction operation - following Janu-

ary's \$1.3 bn debt buyback, she Second it was making special appeals to creditor govern-ments under the Paris Chub for a temporary easing of financial terms of official loans. Talks with some governments had

already begun. Third, Mrs Aquino said her government was taking measures to reduce the country's commercial bank debts. One measure is a deferred debt buyback programme, whereby a new company would be created to repurchase the debt for the Philippines until the country had enough funds to repurchase the debt from the new company. It would pay about 50 per cent of the paper's face value. A second measure would be the issue of temporary interest rate reduction bonds, similar to

Poor exports hit Australia's June trade performance

a debt-for-bonds swap.

By Bruce Jacques in Sydney

AUSTRALIA'S performance remained poor last month with a current account deficit of A\$1.575bn, down slightly on the May's revised figure of A\$1.632bn.

The June result brought Australia's current account deficit for the 1989-90 financial year to a record A\$21.157bn, up 19 per cent on the previous year's A\$17.76bn and also well ahead of the government's budget forecast of A\$18.5bn.

The June figure was higher than the range of A\$1bn to A\$1.5bn predicted by economists, and it initially prompted a mild selling wave on the Australian dollar, pushing it down nearly half a cent to just under 78 cents against the US dollar. But the currency later recovered strongly to 78.5 US cents. The June trade figures reflected a worsening export performance, especially in

rural commodities. Exports fell

9 per cent in the month but

imports were down by 14 per

cent, giving some credence to

suggestions that the government's high interest policies are slowing demand. Mr Paul Keating, the Treasurer, described the current

account deficit as uncomfortably large and said the 8.6 per cent inflation rate was also too But Mr Keating said the trade figures showed that

imports were declining and the government would not allow demand to surge again by easing monetary policies. The Treasurer also said he accepted arguments that the

value of the Australian dollar was hurting Australia's international competitiveness. Renter adds from Canberra: Bankruptcies in Australia rose almost 26 per cent in the three

months to the end of June as commercial interest rates of around 18 per cent bit hard. The Labor government has kept monetary policy tight for the past 18 months in an

attempt to curb consumer

WORK FORCE

demand for imports.

# Cubans free to go, says Castro

PRESIDENT Fidel Castro of Cuba has challenged the US and western Europe to issue entry visas to Cubans, saying his government would let out all who wanted to leave, Reuter reports from Havana.

The Cuban leader made the surprise proposal for resolving a controversy with Madrid over Cubans who want to leave the communist-ruled island in a three-hour speech on Thursday night at a rally in the capital's Revolution Square.

By Lionel Barber in Washington

THE US Senate yesterday

voted to impose economic sanc-

tions against Iraq, increasing

pressure on the Bush adminis-

tration to take action against

The 80-16 Senate vote calls

for an end to the \$1.2bn in loan

guarantees Iraq receives to buy

US farm and commercial prod-

ucts, and is expected to be fol-

lowed soon by a call for similar

vote in the House of Represen-

Pressure to take action

against Iraq rose after the

Baghdad government used mil-

itary threats against two of its

Gulf neighbours to force

through oil price rises at this

US officials said yesterday

the Administration was consid-

ering new economic sanctions

and export controls as a result

of Iraq's bellicose behaviour.

The measures would aim to

signal displeasure without

totally alienating the unpredigrowing.

week's Opec meeting.

President Saddam Hussein.

right-wing community of Europe for all who want to go," he told the cheering 100,000strong crowd. If the US wanted to receive people who said they felt persecuted in Cuba, "let them send the boats," he said.

catable President Hussein.

Options under review

include putting Iraq back on

the US list of terrorist nations.

ending commodity loan guar-

antees, and banning Exim

Bank credits for US industrial

goods, as well as imposing

The administration has

argued that economic sanc-

tions have limited influence

over Iraq because the US only

does about \$2bn of annual

trade. But President Hussein's

threats against Kuwait and the

United Arab Emirates, its two

oil-producing neighbours have

alarmed Washington.

tighter restrictions on U.

exports.

He made clear the offer did not extend to 22 Cubans sheltering in foreign missions in Havana, 18 of them at the Spanish embassy and four at the Italian ambassador's resi-Western diplomats said the

"If they want, we can make US and European countries were likely to react very cauan agreement. Spain and the tiously to the Cuban leader's European Community and ourselves. . . for free exit to the offer. It was too early to say

sanctions against Iraq

whether his suggestion would-lead to the kind of mass exodus that occurred in 1980, when 125,000 Cubans were allowed to travel to the US.

President Castro said it was not Cuba that was stopping Cubans from leaving but the US and European countries with restrictive immigration

Spain's foreign minister Francisco Fernandez Ordonez left for Peru to attend the inauguration today of President Albert Fujimori, which President Castro will also attend. He foresaw no meeting with President Castro in Peru.

By Lionel Barber

JUSTICE Thurgood Marshall, 82, sole black on the US Supreme Court, yesterday tried to stir controversy over Mr David Souter, President George

the Court. Justice Marshall said on TV

Justice Marshall - a close ally The Senate vote could still be watered down by farm interests who are worried about the loss of a useful export market for their rice, wheat and other commodities. But the clamour for action, if only symbolic, is

## Senate votes for economic Judge scoffs at **Bush nominee**

in Washington

Bush's little-known nominee to

he had never heard of Judge Souter and suggested the appointment was a political move instigated by White House conservatives. Supreme Court Justices are

supposed to stand above the political fray; but Justice Marshall has been outspoken, once saying President Reagan's civil rights record "ranked at the bottom of US presidents." In his ABC TV interview,

of the 84-year-old Justice William Brennan who retired last week - also criticised President Bush. "It's said that if you can't say something good about a dead person don't say it. Well, I consider him dead."

#### workforce. Expanding financial centre 80,000 more reasons for DECISION Cardiff 1988 relocating to S.E.Wales PROJECT: New branch office offering a full range of merchant

Here it is. The attraction of South East Wales in graphic detail. According to recent research there could well be an extra 80,000 reasons for relocating to South East Wales.

That's approximately how many people are likely to be added to the already large, available range of staff in the area by the late 1990's. It is an important factor in influencing the decision of companies to relocate. But there are many more. Just take a look at the list of companies who already have, and discover why they chose to make the move. All in all, there is a powerful argument for

South East Wales. And not just because of the people here. So, if you are considering relocation, talk to Phillip Morgan, who heads our Financial Services Team in South East Wales on Cardiff (0222) 222666. Alternatively, write to him in complete confidence at The Welsh Development Agency, Pearl House, Greyfriars Road, Cardiff, CF1 3XX.



#### BAT may challenge court ruling By Barbara Durr in New York

seeking a US Supreme Court review of a New Jersey state court decision allowing liability cases to be brought over smokers' deaths. BAT's American subsidiary,

Brown & Williamson Tobacco, and two other US tobacco companies, American Brands and R.J. Reynolds, are defendants in a lawsuit filed by a New Jersey woman whose husband died in 1981 after smoking for 40 years. The New Jersey Supreme Court decided on Thursday that it would permit state citizens to pursue liability cases on the basis that health labels on cigarette packages could be determined

BAT Industries is considering an inadequate warning of the proceed with litigation. Brown health risks. The decision ignores prior rulings by five federal appeals

courts which held that manufacturers were not liable for smoker deaths after 1966, when the law mandating warning labels went into effect.

The decision was hailed a breakthrough by anti-smoking groups who have fought to end the immunity afforded to cigarette makers by the 1966 law. In the New Jersey case, the tobacco companies had attempted to halt the lawsuit filed in 1982 by Mrs Claire Dewey, the widow, but the decision now allows her to

& Williamson called the New Jersey court's decision "aberrant and wrongly

case and the court accepts, the courts elsewhere.

If the company asks the US

Supreme Court to consider the

suit will be stayed until a decision is taken. If the court declines such a review, the case will proceed in New Jersey. In the latter instance, Brown & Williamson said it remains confident that no finding of liability will be made. The company also has no fears that the New Jersey decision will be imitated by

# Bond will sue over failed sale of stake in BSB

By Raymond Snoddy

take legal action against the biggest shareholders in British Satellite Broadcasting over losses of about £90m suffered when his stake in the venture

believed, that it was unreason-able of the four main shareholders - Granada; Pearson, publishers of the Financial Times; Reed International; and Chargeurs – to turn down

three potential purchasers of his stake for different reasons. Mr Robert Maxwell, publisher of Mirror Group Newspapers, wanted to buy the full 34 per cent Bond stake but was told he could only have 19.9 per cent. Mr Michael Green. chairman of Carlton Communications, was seriously interested but only if he was given managerial control to overcome what he saw as the difficulties the venture faces. The BSB shareholders said no. Mr Conrad Black, chairman of The Daily Telegaph, wanted to take half the stake but only if he could come in behind Mr Green.

The argument came to a head this week, when the BSB shareholders announced the ending of a "period of grace"

MR ALAN BOND, the during which Mr Bond was Australian businessman, is to able to sell his £154m stake in the satellite television system without its being diluted.

Originally Mr Bond, who is fighting for his financial sur-vival, had until the end of May was diluted.

A writ is being prepared and will be served next week.

Mr Bond will allege, it is believed, that it was unreason
with the venture vival, had duling the chirch to they to decide on one of three courses of action — to participate in a £900m restructuring of BSB; to see his 34 per cent stake fall to 7.5 per cent; or to

sell the stake. The period of grace had been offered when Mr Bond failed to dispose of his stake by the May

Technically, the consortium members insist, the dilution happened at the end of May, further extension to sell his original stake to one of six · companies on an agreed short-

On Tuesday, the BSB shareholders said the final extension for Mr Bond had run out on July 19 and instead of a 34 per cent stake in the original £423m venture, he now has 7.5 per cent of a consortium in which the equity or equity equivalent totals £882m.

Mr Bond has already expressed his displeasure in writing to BSB shareholders. The shareholders clearly believe they have been flexible. Buy-back offer turned down,

# King's Cross project cuts harm job hopes

By Richard Tomkins, Transport Correspondent

HEAVY cuts in the scale of the proposed £3bn King's Cross development in London will mean the number of jobs it could provide will fall by about 3.000 to 26.000.

The revisions have been made in the hope of getting outline planning permission for the 134-acre development from the London Borough of Camden at the third attempt.

Earlier efforts to win over Camden councillors to the scheme have foundered on fears that the office buildings within it – by far the largest element - would overwhelm the surrounding area.

The proposed commercial floorspace has now been reduced by 735,000 sq ft to 5.78m sq ft, so reducing the mass of the development but simultaneously reducing its potential for creating jobs.

Two 180-metre high office spires planned by Sir Norman Foster, designer of the Hong-

kong and Shanghai Bank headquarters, remain as one of the dominant features of the

The King's Cross redevelopment is easily the biggest citycentre project in Europe. The developer is the London Regeneration Consortium, comprising the Rosehaugh and Stanhope property groups and NFC, the freight company.

The consortium has been trying to get planning permission since April last year, but has met with strong opposition, arising from concern over its environmental effects. British Rail, which owns the

King's Cross site, may make smaller profits if the development is cut in size. However, it said yesterday that that would not directly affect its plans for a subterranean international railway terminal at the site, because funding for that was not linked with the profitability of the development.

#### Financial service training plea By Eric Short

PEOPLE WHO work in financial services must all be trained to high standards and must be tested on their knowledge, the Consumers' Association says in its response to a Securities and Investments Board consultative paper on training and competence in the industry.

Everyone in all sectors of the industry should have a "core knowledge" of subjects including taxation, social security and the financial services regulatory system, the association

It warns the SIB against low ering the competence standards simply because the failure rate would be high. It cites evidence that a fail-

ure rate of 40 per cent or more should result in more intensive training and a better selection process, not in lower standards.

Individuals, it says, should be assessed on their ability to apply their knowledge in a practical way. It warns the SIB against making exemptions to the proposed competence test-





Left to right: Robert Malpas, Chairman of PowerGen, John Wakeham, Energy Secretary, and Sir Trevor Holdsworth, Chairman of National Power

# High charge in the air of an electric five days

David Thomas charts the strange but true daily twists of a week in the power privatisation programme

TEWS that the Union of Democratic Mineworkers is considering a bid for PowerGen, one of the two electricity generating companies heading for privatisation, is a suitably surreal end to a bizarre week. Mr Roy Lynk, president of the

during the 1984-85 miners' strike, yesterday said he was trying to form a consortium. He is worried that Hanson, the industrial conglomerate and front-runner to take over PowerGen, would destroy the jobs of his 16,000 members by increasing coal imports.

Mr Lynk acknowledges that he has some way to go to raise the £1.5bn which is mooted as the price for PowerGen. He is due to discuss his ambitions with bankers next week. "You don't know a quicker way to raise £1.5bn, do you?" he asks. A union-led consortium buying a

utility would be a first for the Government's privatisations. But after recent events, anything seems possible. Last week, the small army of mer-

chant bankers employed to privatise electricity was quietly confident about the smooth progress of this, the biggest and most complex privatisation to date. They emphasised two

First, the really big decisions about the sale had been made. Second, nothing unexpected would now occur to derail the flotation of the 12 distribution companies in the autumn and of National Power and PowerGen early

**UK NEWS** 

next year. banking, as the events of the past five days have proved.

Monday opened on a high point with the most dramatic news of all. Mr John Wakeham, Energy Secretary. officially confirmed his talks with Hanson and said that a formal Hanson bid would trigger an auction for

The announcement was treated as a political godsend by the Labour Party. It was greeted with bemusement by the City, not least by the well paid scribes hard at work on the flotation

Tuesday, apparently more quiet, saw perhaps an even stranger development, albeit on a much smaller scale. The Government announced that Nuclear Electric's 14,000 workers would receive a generous package of free shares when the industry is privatised.

By John Griffiths

THE AVERAGE list price of a

new Ford car will be 12.7 per

cent higher from mid August

than at the start of the year, as

a result of a new round of price

increases announced last night

Ford said the prices of most

of its cars would be increased

by an average of 3.9 per cent

from August 13. The increase

is the third this year and

means that, cumulatively, the

increases are running well in

A mid-August price increase

has been a common feature of

the UK motor sales scene in

the past. Usually announced

at least a couple of weeks

ahead of the increase being

imposed, it is used to maintain

the momentum of orders after

the August sales boom sub-

THE CHAIRMAN of the

Institutional Fund Managers'

Association has protested about

the "barely disguised hostility"

shown to City investment man-

agers by an offshoot of the

Department of Trade and Indus-

An argument has developed

about documents and speeches

prepared for the DTTs confer-

ence on innovation and short-

termism on June 25. The con-

ference was mounted under the

auspices of the Innovation

Advisory Board, a panel that

man of the fund managers'

Mr Charles Numeley, chair-

advises the Department.

excess of inflation.

By Barry Riley

by the UK market leader.

Free shares for employees are a privatisation tradition. They help to fos-

ter worker loyalty as a company moves into the private sector. The oddity about the gesture is that Nuclear Electric is staying in the pub-lic sector. Its workers will be offered free shares in National Power, one of Nuclear Electric's competitors. It is as A week is a long time in merchant though J. Sainsbury were to motivate its workers by giving them free

shares in Tesco. The Department of Energy made no attempt to explain its unusual theory of worker motivation. Neither could it estimate the cost of the share package on offer to the electricity industry's entire 130,000 workforce.

harsh judge might conclude that the department had made no cost estimates before announcing the package. The charitable explanation is that it does not believe taxpayers have a right to such information.

Wednesday was marked by an event that stretched charity to breaking point. The Government issued a robust attack on a report from the Commons Energy Committee, which had accused it of mishandling the abortive attempt to privatise the nuclear industry.

Since the Government's 21-page

memorandum slipped out of the Energy Department at 4.45pm, two days before Parliament's summer recess, cynics might conclude that the Government was trying to avoid scrutiny of its arguments.

If that was the strategy, it failed. Lord Marshall, former chairman of the Central Electricity Generating Board, immediately accused the Government of deliberately misquoting him in the memorandum.

Thursday was graced by publication of one of the strangest set of accounts ever issued in Britain. National Power, a company that has existed since April 1, issued a report for the year to March 31. Thanks to provisions totalling

£914m, the company reported a loss of £605m for a year in which it did not exist. "They deserve to win the Booker prize for fiction," said one City analyst about the accounts. Friday might have been a day of

recuperation, had it not been for Mr Lynk. It has been a week that has brought much harmless pleasure. But what conclusions of a more serious nature can be drawn from the events? Three things stand out.

First, many people in the City reacted to the Hanson intervention by

dismissing it as a ruse. They saw it as an attempt to put pressure on Power-Gen to be more reasonable in its capital structure negotiations, That may be a mistake. However

the Hanson saga started, it is now developing a momentum of its own. Withdrawal by Hanson would severely embarrass both the Government and the entire privatisation.

Second, this week's other niece of conventional wisdom - that a sale of PowerGen to a single buyer would make it more difficult to float National Power - looks equally wide of the mark.

Almost by definition, one company is easier to float than two at the same time, while a prior sale of PowerGen would establish a benchmark price for National Power.

Third, sale of the 12 distribution companies and the National Grid, the dull bits of the industry, may raise proceeds of over £7bn, somewhat higher than recent estimates. That was the conclusion drawn by some analysts from Monday's announcement that their combined debt would be £2.843bn — one of the few of this week's decisions that had been long anticipated.

**NEWS IN BRIEF** 

Letters, Page 7

#### State aid for | Ford announces further price increases cathedral office project

By Ian Hamilton Fazey, Northern Correspondent

MRS Margaret Thatcher, the Prime Minister, yesterday gave her blessing to a partnership between Liverpool Cathedral and Mammon.

The city's Anglican cathedral has gone into commercial property development with a £7.5m terrace of offices and shops on the corner of its new entrance road. The Government is giving

£1.35m to the project and the rest will come from the cathedral's dean and chapter, the body responsible for the management of the building and its

Mrs Thatcher unveiled a plaque at an informal servicecum-ceremony in the cathedral conducted by the dean, the Very Reverend Derrick Wal-

The Bishop of Liverpool, the Right Rev David Sheppard, one of Britain's leading critics of the social consequences of market economics, was in the congregation-cum-audience.

Mrs Thatcher said the founders of the cathedral could not have foreseen that trade would shift from west to east and wreck Merseyside's economy, but she was sure that they would hate waste and dereliction, "as we do."

Tackling the derelict site in front of the cathedral follows the initiative of Mr Michael Heseltine after the Toxtethe riots of nine years ago. The new project is the third phase of a mixed scheme which also involves housing and a college.

Fund managers' head denies short-termism

to protests from fleet operators, some of which have criticised the rises already Ford said last night that the

The cumulative increases

this year are likely to lead

increase "reflects a rise in the cost of some components and materials and takes into account improved specifica-Traditionally, Ford sets the

pricing pace in the UK and the other leading UK producers are likely to follow suit short-

In a market where sales are falling sharply for the first time for years, Ford's move is likely to be seen in some quarters as providing simply a higher price base from which to offer discounts.

With August 1, and the intro-

trade association, which repre-

sents 63 leading firms of invest-

ment managers, has written to

Lord Chilver, chairman of the

IAB. He said his members were

"concerned about the credence

being given to misinformed

Mr Nunneley's main criti-

cisms concern a paper called

Innovation: City Attitudes and

Practices, which was produced

for the conference by the IAB's

The paper, he says, is poorly

argued and ignores or misinter-

prets evidence that runs

counter to the authors' thesis.

He adds: "We are surprised that

comment about their role."

duction of the H registration prefix, just four days away, manufacturers and dealers are awaiting the August sales outcome with anxiety rather than eagerness, for the first time since the mid 1980s.

Sales were down 10.9 per cent for the first half of the year, on a year-on-year basis, and a much more worrying 18.3 per cent in June.

In the current month they are running about 15 per cent lower, but no one in the business is taking any comfort from that. July usually accounts for around 2 per cent of total annual sales because most buyers choose to wait for the new registration plate.

Industry estimates for August sales range between 420,000 and 470,000, compared with almost exactly 500,000 last

the board and the DTI should

have countenanced the publica-

tion of a paper which will inevi-

tably be seen as representing

At the conference, City fund

managers came under fire for

pressurising British companies

into short-term attitudes. Divi-

dends were being raised alleg-

edly at the expense of

a long-term commitment to

research and develop-

Mr Nunneley writes: "We

know of no evidence that

research and development

expenditure has been con-

strained by companies increas-

an official government view."

will just be lying around in fields, registered by dealers on manufacturers' instructions to boost market share, but with no real homes to go to," according to Mr Mike Williamson, chairman and chief executive of the multifranchise Appleyard dealer

It is, in short, a buyers' market - and expected to remain so to the end of the year. because hoped-for interest-rate cuts have failed to materialise. Manufacturers have racked their brains for schemes to coax motorists into buying. without making the straightforward price cuts which would limit their room for manoeuvre when more

ing dividend payments. We do

not believe there is a trade-off;

indeed, the ultimate aim of

research and development

should be growth of profits and

He also criticises proposals

for fiscal changes, such as the

introduction of a short-term

capital gains tax, in order to

distortions," Mr Nunneley says.

"would make the normal pro-

cesses of investment manage-

ment more difficult, and admin-

istration more cumbersome and

expensive, without achieving

"The introduction of fiscal

counter short-termism.

any useful purpose."

dividends.

buoyant market conditions without authorisation under

the Financial Services Act. The SIB, which had earlier obtained an injunction against Vandersteen, took action against the six in a further attempt to alert British investors who might otherwise do

#### Broker absorbed

ter firm, formerly owned by Benchmark, a quoted group, will continue to operate under the Chariton Seal name as a division of Wise Speke, while an unspecified number of settlement and other back office staff face redundancy. Schaverien, a broker bought by Benchmark and merged with Charlton Seal, has been taken

#### MMC referral

THE proposed acquisition by Trelleborg, the Swedish indus trial conglomerate, of Mc

Industry Secretary, follows : recommendation from Sir Gor don Borrie, Director General o Fair Trading. Mr Lilley believed there were possible implications for competition ir the UK market for semi-fin ished extruded - or specialis: moulded – brass, the DTI sak yesterday. The MMC report is due by November 28 1990.

Savings should be giversemi-independent agency sta tus to compete in the oper market, the Commons Tres. sury and Civil Service Commit tee said yesterday.

The department is now part of the Treasury. However, a report by the cross-party committee recommended consideration should be given to including it in the Government's Next Steps programme

— Civil Service reorganisation

— which would hive it off from Whitehall control.

# THE OPTIMA CARD INTEREST RATES

American Express announces that the Optima interest rates are to be varied to 21.8% per annum for purchases and 24.5% per annum for cash advances.

Interest charged on Optima statements of account from the 1st August 1990 will be at the new rates. applied to all interest bearing balances, cash advances and to purchases attracting interest for the first time. All other terms and conditions of the Optima Card remain the same.



interest in the contraction of t

American Express Europe Limited, Optima Card Services, P.O. BOX 877, Brighton BN2 3TZ

#### Prosecution dependent on liar, jury told MR Olivier Roux, a self-confessed liar, prosecution evidence was to reject link: that it was in their interest to get

was the cornerstone of the prosecution's case against Mr Ernest Saunders. the jury at Southwark Crown Court was told yesterday.

THE GUINNESS TRIAL

If Mr Roux was flawed, the prosecution was flawed, said Mr Richard Ferguson, QC, defending the former Guinness chairman and chief executive.

He said it was only Mr Roux's evidence that forged a link between Mr Saunders and the £25m of illegal payments made by Guinness to those who supported its share price during the 1966 takeover battle for Distillers, that were central to the case. Mr Roux claimed he made the pay-

Saunders denied that. There were no other direct witnesses and the only documents relating to the payments bore the signature or initials of Mr Roux, not those of Mr Saunders. Further, Mr Ferguson said, Mr Roux, Guinness finance director at the time, had admitted he lied on oath to Depart-

ments with Mr Saunders' approval. Mr

investigating Guinness, and to the "How can you convict anyone on the evidence of Mr Roux?" Mr Ferguson

ment of Trade and Industry inspectors

Yet, he said, Mr Roux - "a broken reed" - had been put forward by the prosecution as a witness of truth. The jury might think he should be in the dock.

Mr Ferguson said he was not asking the jury to accept that all Mr Saunders had told them had been "the gospel truth" but he suggested there were reasons why he should be believed. The jury's proper response to the lack

the charges "and put an end to what Mr Saunders may well be right in seeing as a witch hunt," Mr Ferguson suggested. He was making his final speech in the trial in which Mr Saunders, Mr Gerald Ronson, Heron group chairman; Mr

Court report by **Raymond Hughes** 

Anthony Parnes, a City stockbroker; and Sir Jack Lyons, the millionaire financier, deny charges arising from the Guinness share support operation. Mr Ferguson said Mr Saunders - the

only defendant to give evidence - had had the courage to face his accusers and tell his story "warts and all." His mission to prove his innocence might well have become an obsession and he might have become paranoid

about being the victim of conspiracy, but that did not necessarily detract from the justice of his case. The jury might feel that it had to discount Mr Saunders' more extravagant accusations and that he had overstated his conspiracy theory. It did not, however, follow that the

kernel of what he had said was not

Mr Ferguson said Mr Saunders was "a man possessed with an overpowering sense of injustice about what he has suffered at the hands of the Guinness company, the Guinness family and the Establishment."

He might have become boring and

repetitious about his conspiracy theory,

but other parties in the case had had

Mr Ferguson: "inevitability

of a Greek tragedy"

motives for the stances they had taken, which he could view as supporting his theory.

only Mr Saunders' career but also his

"The whole unhappy story has the inevitability of a Greek tragedy. It is not so much, you may think, that these people were conspiring together to do him down, but they did have a common

In December 1986 and January 1987, Mr Ferguson said, fate had thrown together a number of powerful people whose collective actions had ruined not

rid of Ernest Saunders." They had included "the Scottish mafia", angered at the way Guinness, led by Mr Saunders, had acquired Bells and Distillers. For them, Mr Saunders was "the baddie." There had been the "cabal" of new non-executive directors of Guinness led by Sir Norman Macfarlane, concerned about preserving their "Persil-white" image in the City. Members of the Guinness family -

been Lord Iveagh, Guinness's president had been persuaded that the future of their company was more important than the man who had saved it and enriched them. There had been Freshfields and Price Waterhouse, Guinness's solicitors and auditors - Mr Ferguson spoke of "the self-serving treachery" of Mr Howard Hughes, of Price Waterhouse - con-

the "most treacherous" of whom had

cerned about possible criticism of their actions and non-actions. Also, Mr Ferguson said, there was Mr Roux, who had put himself in the position where only by telling lies could be save himself from the fate that had

befallen Mr Saunders. The jury might think, Mr Ferguson said, that it had been Mr Roux and Mr Thomas Ward, a US lawyer and then a Guinness non-executive director, who had masterminded the share support

operation. "The pushy American lawyer and the product of the American school of business management bringing the stan-dards and the methods of American business into this takeover bid." The trial continues on Monday.

SIB obtains 'cold calling' year. "Of those, about 30,000

injunctions THE Securities and Investments Board has for the first time obtained permanent injunctions against six people preventing them from "cold calling," writes Richard

Waters. "Cold calling" means

contacting people unan-

nounced in an attempt to sell them investments. The six - Mr Anil Kohli, Mr Enver Janiv Deen, Mr Laurence Penn, Mr Martin Hanshaw. Mr Sultan Cheems and Mr Richard Latham - were all associated with Vandersteen, a Belgium-based investment firm that had sold investments by telephone to UK investors

business with them.

#### ATTRITION among smaller

stockbrokers, and the creation of a handful of private client brokers with region-wide or national reach, continued yesterday with the confirmation that Charlton Seal, Manchester's second-largest stockbroker, has been absorbed by Newcastle-based Wise Speke. Thirty staff of the Manches-

It was also confirmed that over by the London-based Charles Stanley.

Kechnie Extruded Products, the specialist metal company is to be investigated by the Monopolies and Mergers Com The referral to the MMC by Mr Peter Lilley, the Trade and

**National Savings** THE Department of Nationa

NORTHPRINT, one of the largest newspaper printers in the Manchester area, is to close with the loss of nearly 700 jobs.

The company, a 50-50 joint venture between Associated Newspapers and The Guardian and Manchester Evening News, prints the Manchester Evening News and the northern editions of the Daily Mail, The

Mail on Sunday and The

Mr Harry Roche, chairman and chief executive of The Guardian and Manchester Evening News, said yesterday in a statement: "It is clear that in terms of quality and cost it is not possible to compete effectively in either the national or regional newspaper market with our northern printing operation based at

although £20m has been spent on modernisation in recent

The plant dates from 1931.

It will close on November 3 and printing work will be transferred to plants in Manchester, Stoke and Sunderland. Printing of the northern edition of the Daily Mail will

move to Northcliffe Newspa-pers' plant at Stoke and to the Sunderland plant of Portsmouth and Sunderland News-

Printing of The Mail on Sun-day's northern edition will be split between Sunderland and The Daily Telegraph printing plant at Trafford Park. Sir David English, editor-in-chief of Associated Newspa-pers, said there would be considerable improvement in printing quality with "first-

Printing of The Guardian and Manchester Evening News will move to the Trafford Park

class colour throughout".

A total of 686 people are to be made redundant as a result of the closure - 286 employees of the joint venture company, 220 Associated employees and 180 employees of The Guardian and Manchester Evening News

A few of the redundant workers may get jobs at Trafford Park. After the one-off costs of

redundancy payments, the move to contract printing will

## Pilot wins record £1.57m personal injury damages

paralysed after a motorcycle accident was yesterday awarded damages of £1.57m at the High Court in London. It was the highest court award in a claim for personal injury

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Mr John Lambert, aged 42, of Weymouth, Dorset, won damages and costs against Devon County Council, the highway authority responsible for the road where the accident occurred nine years ago. Mr Lambert worked at the

time for Royal Air Maroc. He suffered severe spinal injuries and was left with paralysed arms and legs. Judge Black heard that he

failed to take a sharp right bend in the road between Kingsbridge and Loddiswell,

Devon. His machine left the road and plunged down a steep

The authority denied liability, but the judge barred it from fighting the claim on liability because of an "inexcusable" failure to comply with court orders to produce documents to Mr Lambert's lawyers on issues relevant to the case. The judge imposed a "stay" on damages over £750,000 pend-

ing an appeal by the council. Had the issue of liability been tried, it would have discussed whether there should have been a crash barrier and whether the accident spot was adequately signposted. The award includes money

in compensation for pain and suffering, lost earnings, and the cost of care.

industry. Only a quarter of its pupils attend

the secondary school regularly and about 76 per cent leave at the age of 16. Yet Woodside is among the latest schools to join a compact - a schoolindustry partnership designed to raise academic achievement and provide training opportunities for young people who see nothing but unskilled, low-paid work in their future.

The Newham Compact (the school is in the London Borough of Newham) is one of 48 operating nationwide, funded partly through the Training Agency, partly by local education authorities and partly by industry.

Under the compact, pupils are given work experience in a local company, with the prospect of jobs with training on leaving school for pupils who stick with the programme. Newham schools are already seeing the benefits of a programme that is barely two years old, with some reporting dramatte improvements in pupil atten-

Based on a project originated in the US city of Boston, the concept was taken up by Mr Norman Fowler, the former Employment Secretary, as the answer to chronic underemployment in inner cities.

It has been hailed by politicians on both left and right as a mechanism for raising educational attainment and improving training for inner city youth. Industry and schools have enthusiastically embraced the concept and Britain's compact programme has been characterised by much goodwill on both sides.

Whether goodwill and enthusiasm will be sufficient to make the marriage work remains to be seen. The Boston experiment stumbled last year when employers refused to pursue the programme unless improvements were made to the education offered. The compact has yet to publish any statistics to demonstrate the success of its pupils.

That lesson has not been lost on administrators of British compacts. Mr Leslie Warburton, director of the East London Compact - which covers the boroughs of Tower Hamlets and Hackney - says the programme must show employers it can deliver a

find its funding privately. Moreover, cuts in other Training Agency-funded projects have injected further anxi-

ing what industry wanted.

burton. "But we must be able to demonstrate that we can deliver qualified people into jobs. If we can't deliver, employers will start to lose patience." The East London Compact has begun to see the positive effects of the programme. The proportion of pupils staying on at school after 16 has risen to 82 per cent from 59 per cent, while

fallen by a similar level. In the Hull Compact, operating since October 1988, only 42 per cent of the first group of pupils who took part were able to meet all goals. The goals relate to attendance and punctuality, literacy and numeracy skills and work experience, among other things. Mr Barry Salt, Hull's Compact director, said it is his "gut" feeling that the programme is raising educational standards and aspirations. But

their success to be judged. Mr Warburton said staying-on rates alone were not a satisfactory measure of success - the further education must genuinely raise skill levels. "I suspect that a lot of young people view [further education] as a kind of parking lot," Mr Warburton said,

as preferable to leaving school to go into a Youth Training Scheme or low-

paid work. The first of the pupils who were encouraged by the compacts to stay longer at school are now leaving. Mr Warburton said it was that group that would provide the litmus test of the programme's success. Only 11 of about 350 who left school in 1989 were placed in jobs with training. Most went on to further study.

Meanwhile, Compact co-ordinators around the country say local employers are generally enthusiastic about the project. Ms Marilyn Brass, direc-tor of the Newham Compact, said employers would step into the breach if government funding stopped.

Many, she said, would do so out of self-interest - a motivation she welcomed. A survey of the 85 employers in her district showed that about two thirds joined compact in the hope of improving their recruitment levels.

rs Ruth Smith, assistant director of the Liverpool director of the Liverpool Compact, said most of the 71 participating businesses have been prompted by concern that, because of the "demographic time bomb" - the imminent reduction in the number of young people entering the labour market - they would be unable to recruit qualified young people.

Also the completion of the Euro-

pean internal market after 1992 had made local employers much more aware of how little training they provided relative to their Continental counterparts.

Mr George Kessler, operations director of Kessler International. Europe's largest manufacturer of point-of-sale displays, and an active participant in Newham's compact, said his company, which employs 250 people and is based in Newham. became involved because, among other things, it was dissatisfied with the skill levels of local school leavers. In spite of their good intentions, it is not clear that employers are willing to hire all comers - even those who meet the requirements laid out under the compact goals. Mr Salt said it had proved easier to pursuade employers



An experiment yet to prove itself: students Nicola Gittins (left) and Elaine Venton in their science class at Woodside School

to make cash or material contributions to schools than to guarantee jobs with training for compact pupils. Ms Brass said there was also the delicate subject of what she called presentability. "Knowing what to say and how to say it is something we

have to teach our pupils," she said. And Mrs Sheila O'Keefe, compact co-ordinator at Woodside School, conceded that the broad east London accents of some Newham compact pupils might dissuade employers from

## Redesign for basic skills tests for seven-year-olds

BASIC SKILLS tests for seven-year-olds in England and Wales are to be redesigned so that teachers will be able to administer them in roughly half the time originally planned, writes Norma Cohen. Education Correspondent.

The School Examinations

and Assessment Council (Seac)

said yesterday that it would

rewrite specifications for standard assessment tests in English, maths and science by

Tests prepared by three private consortia in accordance with Seac's original specifications proved too time-consuming for teachers to administer properly. The new tests will be designed to be given to all

The original tests, prepared

seven-year-olds in England and Wales. They were roundly criticised by teachers and school heads who asked that they be

administered to all seven-yearsummer term 1991, although they will not become statutory

HAMACIM HMIS

STATISTICS

Transaction of the second

#### City college plan approved

PLANS TO open a City Technology College in Telford have been approved by the Government in spite of objections by the local education authority and politicians, writes Norma

The £10.2m institution is the second announced this week by Mr John MacGregor, Education Secretary, and will bring the

number in operation to 13 by September 1991. Mr MacGregor has been crit-

icised by his party's right wing for being slow in setting up the high-technology schools.

#### **EMPLOYMENT**

# Ford severs links with employee vetting agency

By Michael Smith, Labour Correspondent

FORD MOTOR has ended its association with the Economic League, the controversial organisation used by employers to vet prospective workers. The move comes a month after the league's activities

were strongly condemned in the House of Commons. Mr John Hougham, Ford personnel director, said the company no longer needed to rely on the services of an external

An improvement in co-operation with the unions had led the company to believe it could more confidently handle any difficulties that might arise in

its plants, said Mr Hougham. The Economic League, formed in 1919, claims to have 2,000 members and a list of 10.000 workers' names. Ford's withdrawal of membership is a

By Diane Summers, Labour Staff

THE HEALTH and Safety

Executive has been accused of

not addressing the difficulties

of expanding workloads, static

staffing levels and inexperi-

advance of the launch on Mon-

day by Mr Michael Howard.

Employment Secretary, of the

health and safety spokesman,

said yesterday that the delayed

programme was being made

public "when Parliament has

gone into recess and govern-

MORE than 300 manual

workers at South Wales

an immediate two-hour cut in

ening strike action.

By Michael Smith, Labour Correspondent

three stages over several years. companies threatened with

account for their decisions."

Mr Tony Lloyd, Labour

annual plan of HSE work.

The criticism comes in

enced staff.

At a hearing last month before the House of Commons

was done scrupulously, those undertaking it were most dan-

gerous, she said.

revolutionary bodies, can be expected to pose a threat to good relations in the com-

Ford has been using the league's service since the 1960s. Mr John Davies, secretary of the Ford conveners committee, said trade unionists applying for jobs at Ford and elsewhere had for years been plied by the league.

Mr Jimmy Airlie, lead negotiator for the AEU engineering union at Ford, said yesterday that the company's decision was a victory for decency and democracy.

"Ford's decision should encourage other firms to pull the plug on the Economic League and hopefully put them out of business," he said.

# strike plan oil workers

By Diane Summers, Labour Staff

unofficial strike action in pursuit of their claim for an agreement on pay and conditions. Offshore Industry Liaison Committee, representing North Sea unions, said there would be "guerilla-type action" by over 5.000 contract workers although no date has yet been set for the action to start.

Unions are currently balloting on whether to begin an official all-out strike. The ballot said Mr MacDonald.

which has been in progress for over two months. Employers

conditions in March following industrial unrest that started last year.

pay and conditions that were made in the wake of the downturn in North Sea trading.

# against Scargill

THE Irish High Court yesterday suspended an injunc-tion granted to the National Union of Mineworkers last week preventing its president Mr Arthur Scargill and two others from disposing of a £1.35m account in the Irish Intercontinental Bank, Dublin. This follows proceedings in the High Court in London on Thursday when the NUM agreed to suspend its legal action against Mr Scargill and the Paris-based International Miners' Organisation over money donated by eastern European miners during the 1984-85 pit strike.

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sufficiently skilled workforce in order to maintain their loyalty. The Training Agency gives each compact £100,000 a year for four years, after which each programme must

eties into compact directors. Mr Warburton, whose programme was opened by Prince Charles in 1987 as the nation's first compact, said it was still not clear that it was deliver-"The bulk of employers feel it is a worthwhile initiative," said Mr War-

attendance at schools participating in the compact has risen by 7 or 8 per

cent, but overall punctuality has

most of the nation's compacts have · not been operating long enough for

explaining that it was sometimes seen

pupils in a class over a threeweek period, with no more than half of each school day devoted to testing.

at a cost of £6.2m, took three to five weeks to administer and accounted for the entire school day. They were tried out at 640 primary schools and administered to roughly 2 per cent of sharply pared down. The tests are intended to be

olds in the first half of the until the following year.

The Government has been providing 80 per cent of capital, although the original intention was for substantial funding from private industry.

blow to its credibility at a time when it faces pressure from members of parliament to publish its records on individuals.

select committee on employment, Ms Emma Nicholson, the Conservative MP for Devon West and Torridge, said she had grave doubts that the league was competent to handle the data it had assembled on individuals. Unless vetting

The league was not available

their membership or support of

Labour criticises safety plan

pany.

for comment yesterday but Mr Stan Hardy, director general, said recently that employers needed access to an information service "which can help them identify people who, by

the victims of misleading and inaccurate information sup-

ment to claim that it is meeting the Health and Safety Executive's resourcing needs whilst heaping additional duties on it and at the same time failing to provide the extra finance needed to be able to recruit and retain the staff required," said Mr Lloyd. He accused the Government of cutting the HSE's grant aid by about £9m over the past year at a time when there were

over 500 deaths at work and

over 170,000 reported injuries.

Mr John Rimmington, HSE

Director General, has argued

that Civil Service manpower

restrictions in the early 1980s

forced the suspension of

recruitment but since 1987 the

Government has met funding

"It is wrong for the Govern-

Tony Lloyd: Government cutting grant aid

ment ministers do not have to He said answers to parliamentary questions had revealed that more than a per cent had less than five quarter of factory inspectors

were trainees and that about 40 years experience. Workers win immediate 37-hour week

Mr Les Griffiths, district sec-

retary for the Confederation of

Shipbuilding and Engineering Switchgear, an engineering Unions, said the cuts came in plant near Cardiff, have won eleventh hour talks after workers had voted for a strike. the working week after threat-Since the settlement of The move to a 37-hour week strikes involving large companies at the start of this year, in one stage is unusual. Most companies are phasing in few companies have faced stopworking time cuts in two or pages. The unions say most

strike ballots have agreed deals for 37 hours or less. They estimate that about 600 factories.

employing 300,000 workers. have agreed hours cuts. The Engineering Employers' Federation says only 233 of the 1,383 pay and conditions it has been informed about this year include hours deals and at least 70 of them are for 37% hours or more.

# Unofficial by contract

CONTRACT workers in the North Sea oilfields are to start Mr Ronald MacDonald of the

results will not be known for another four to seven weeks. The decision to step up the action follows a work to rule

say the effect of the action so far has been limited. About 30,000 people work offshore of which an estimated 70 per cent are on contract. BP Exploration and Shell/Esso platform contract workers were awarded pay increases of 11.7 per cent and improved

Unions with offshore members have sought, but failed to achieve, joint recognition by all the North Sea contracting companies and an annual review of pay and conditions. Resentment stems from the reduction in contract workers'

Injunction lifted

Weekend July 28/July 29 1990

# Pricking the ERM bubbles

FOR MUCH of this summer the British Chancellor Mr John Major appeared, in relation to the European Exchange Rate Mechanism (ERM), to be enjoy-ing the fruits of the honeymoon without the trying formality of the nuptials. Earlier this week his admission that Britain was unlikely to meet the Government's target of reducing inflation to 5 per cent by the middle of next year brought a rude return to normality. Yet sterling's fall of two pfennigs against the D-Mark on Wednesday despite another reaffirmation of Britain's commitment to ERM entry is probably better seen as an overdue correction of an overshoot upwards than a reversal of the more fundamental trend. The markets' belief in entry is for the moment unshakeable.

plusie of Pa

Sterling's earlier strength had been a considerable political bonus for the Government, since it enabled monetary conditions to be tightened without further pain being administered to mortgage borrowers. But along with the relative strength of the currencies of other high-inflation countries such as Italy and Spain it has

its worrying aspects. As the Prime Minister's former economic adviser Sir Alan Walters has somewhat stridently noted, there is a transitional problem for entrants into the ERM if their inflation rates are higher than those of the anchor country. West Germany. In a fixed exchange rate system interest rates in the member countries will tend to converge. Even in the semifixed ERM that Sir Alan regards as "half baked" the increasing infrequency of realignments has impressed the people who manage international money. Hence the paradox whereby countries with the worst inflation performance attract huge capital inflows. Their high nominal interest rates no longer presage exchange rate weakness and therefore look cheap

#### Members penalised

within the system.

A problem then arises because the resulting capital inflows force currencies up against their agreed ceilings. Interest rate cuts may then be forced on governments before they are justified by an improved performance on inflation. Meantime older members who pursued sound anti-inflationary policies are penalised, which is why French finance minister Mr Pierre Bérégovoy was this week urging lower interest rates on the strong currency members of the ERM. The French have successfully used the ERM to bolster

their anti-inflationary creden-

tials. Yet they have been rewarded by a singularly unfavourable configuration of exchange rates, in terms of French industry's competitiveness. The franc is weak against the lira and peseta but has appreciated strongly in the course of the year against other European currencies, as well as the dollar and the yen. French manufacturing has thus felt the cold wind. Yet France has little room unilaterally to cut interest rates to counter tight domestic eco-nomic conditions, while the franc is relegated to the bottom

#### Respective currencies

This is clearly not the outcome that a fixed exchange rate mechanism is supposed to deliver. And Italy, Spain and Britain are experiencing what can only be described as a bubble: a valuation for their respective currencies that bears no relation to the underlying fundamentals. The borrowers in these economies. meantime, continue to pay high nominal rates of interest on the implicit assumption, justified by experience, that devaluation and inflation will save them from paying equally high real rates of interest. Their view cannot be reconciled with that of the foreign exchange markets. So the only question is when and how the bubbles will be pricked.

The extreme example of what can happen was provided by Chile in the 1970s. When the Government adopted a fixed exchange rate policy, domestic banks borrowed from international markets at wildly inflated nominal rates of interest that suddenly turned into real rates when devaluation failed to happen. The banks collapsed, only to be nationalised by the Government.

In Britain disaster would be more likely to befall business borrowers and those with big mortgages. In the worst case the tradeable goods sector would be squeezed by the strength of sterling, while demand in the non-tradeable sector of the economy would continue to boom. International creditors, worried by the size of the resulting current account deficit, would fight shy of sterling, offering the Government a stark choice of swingeing interest rates that I would cause widespread bankruptcies and mortgage defaults or a rapid exit from the ERM.

The French escaped the worst of the transitional problem because their highly regulated financial system still had controls on credit and capital inflows at the time. Britain enjoys no such backstop, which is why this dilemma will not be easily resolved.

ince last weekend, the darker nightmares of 1,237 staff at Power-Gen's Birmingham headquarters have featured an imposing new bogeyman: it is the morning after a takeover by Britain's most feared industrial conglomerate and James Hanson is shaking hands for the last time with emotional

executives of the electricity

generating company.

To admirers, Lord Hanson is Britain's bid and break-up artist sans pareil. To opponents, he is an asset-stripping tyrant who discards thousands of employees in the wake of the group's successful takeover bids. Either way, he is paid a salary of more than £1.5m a year for his trouble. When Hanson expressed an

interest this week in buying PowerGen, the electricity generator, from the Government, opposition MPs exploded. But what is a Hanson takeover really like and how well-managed are Hanson companies? Mr Frank Knight, deputy chief executive of United Biscuits, has seen inside a "Hansonised" business. He took charge of Ross Young's after UB bought the chilled and frozen foods group from Hanson in 1988. At that time, the business had been under Hanson's control for about two years following the conglomerate's bit-

Group. "One might have expected in the classic Hanson way, that there would have been no media investment and no promotional investment; that factories would have been starved of capital to the point at which efficiency was suffering and general morale was

terly fought bid for Imperial

low," says Mr Knight. But he was surprised to find his expectations confounded. Hanson management had not blighted Ross Young's: "We have seen it at first hand: this operation came fresh from the Hanson camp, and it was a bloody well-run business."

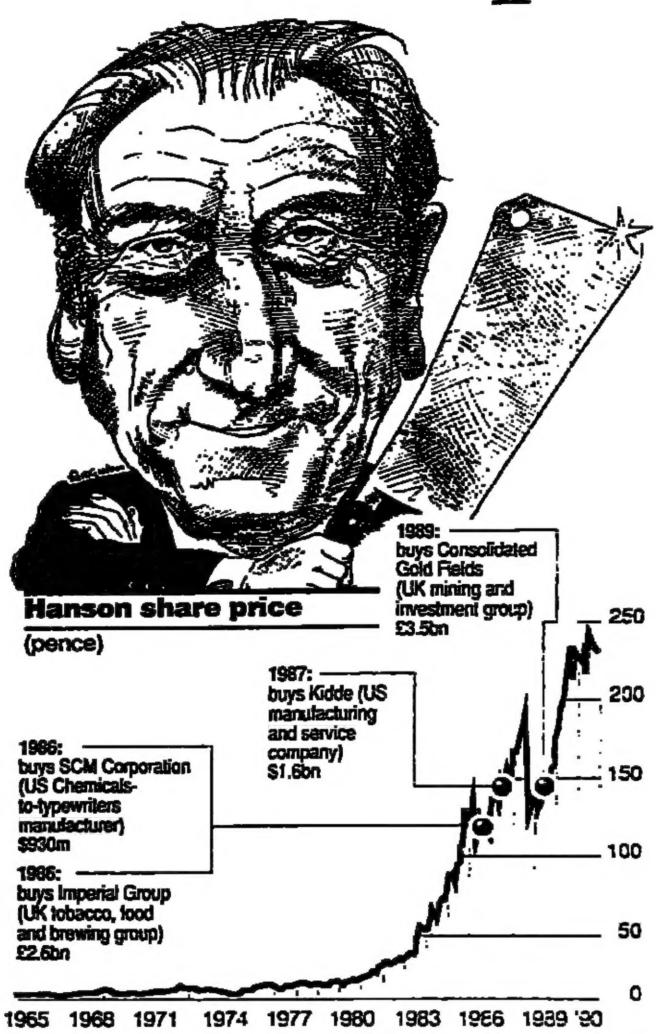
The first man across the threshold of new Hanson subsidiaries is never Lord Hanson It is more likely to be Mr Tony Alexander, Hanson's chief UK operating officer. Those who have encountered Mr Alexander on the morning after a hostile bid find him thick-skinned as he has to be, and competent. Strict capital expenditure guidelines are imposed immediately: requests to spend more than £500 still have to pass through Lord Hanson's office. That has led some critics of the Hanson approach to conclude that the group's subsidiaries are squeezed for cash and deprived of investment. But Mr Martin Taylor, Hanson's vicechairman and principal spokesman, points out that large projects - an £80m titanium dioxide plant in Western Australia last year, for example – do get the chairman's signature. Such projects are expected to pay back the investment in three to

four years. simple: enhance shareholder value by investing in mature, asset-backed, cash-generating industries, if necessary selling all or part of the business on

after refurbishment. However, as Hanson has grown bigger, beating the £1bn barrier for pre-tax profits in 1989-90, acquisitions large enough to sustain the momentum of growth have proved

Andrew Hill on a business approach that has made Hanson both feared and respected

# King of bids and break-ups



more difficult to find. Power-Gen, which could be worth between fibn and fi.5bn. would be a comparatively small purchase for a company with £6.4bn of cash in the bank. So City attention has increasingly focused on the ability of the Hanson team to manage continuing operations. The task of controlling Han-

Mr Jeremy Marshall, former chief executive at BAA and now head of the bank-note printer De La Rue, worked for Hanson from 1971 until 1987. latterly as one of the group's senior operations executives. "In the 16 years I was at Hanson, James Hanson never once visited any of the

operations I was responsible

To admirers, Lord Hanson is Britain's takeover artist sans pareil. To opponents, he is an asset-stripping tyrant

Jacuzzi whirlpool baths would appear to require superhuman management skills. But the fact is that Britain's

best-paid businessman and his deputy Sir Gordon White now 68 and 67 respectively do not manage the businesses within the Hanson empire. "They are the ultimate delegators," explains one former Hanson executive.

Hanson's basic acquisition son's wide range of interests - for," he says. "But I believe principles have always been from building materials to those businesses are a darned sight better-managed now than they were before Hanson."

The conglomerate was a pioneer of the principle that those involved in the day-to-day management of subsidiaries should not be represented on the group board. Contrary to the popular image that all Hanson bids are followed by a purge, many of those now heading subsidiaries survived

the bid. "It isn't a case of buy-ing it, smashing it to smither-eens and then starting again," says a former executive.

If Hanson managers prove themselves, lucrative incentive schemes ensure they are wellrewarded. "We try to encourage them to behave like entrepreneurs rather than bureaucrats," says Mr Taylor.

Enthusiasm for Hanson stewardship is not universal. Those US investors who bought 52 per cent of Hanson's Smith Corona typewriter subsidiary when it was floated in New York a year ago have seen the shares slump from \$21 to less than \$5. Smith Corona blames an unexpected deterioration in sales, but the decline has revived suspicions that Hanson may sometimes sacrifice the long-term future of businesses to short-term goals.

Some former executives at Imperial Group are still sensitive about the takeover and rapid break-up of the business four years ago, and Hanson's paring down of the global operations of the battery manufacturer Berec - now British Ever Ready - after the 1982 bid aroused flerce criticism. "For the objectives that Hanson set itself it was being run well, primarily generating cash, with no great desire to have a market share unless that could be translated into profits," says one former Berec director, eight years on.

Hanson is notoriously reluctant to detail profits of individual subsidiaries. But the dearth of detailed information has not deterred investors. As one analyst puts it: "Lord Hanson has not let us down for the last 25 years and everybody trusts him implicitly."

For Hanson shareholders, the benefits of Lord Hanson's creed - employees come third in his list of priorities, behind shareholders and customers – are clear: 26 consecutive years of increased dividends, with the promise of a further 20 per cent rise in the current year. Indeed, in contrast to the image of a takeover glutton, chewing up and spitting out companies, many Hanson followers believe the group performs a service. "I don't think this company would have survived had Hanson not taken over," says Mr Alan Swan, now British Ever Ready's company secretary, and a Berec employee since long before the

Hanson takeover. "Hanson is not best-known for the organic growth of companies but for buying groups and selling them on," says De La Rue's Mr Marshall. "But in the process I think he creates a lot more efficiency. It's a reprocessing of some mature UK industries.

Lord Hanson would never be so philosophical, but the reaction to his interest in Power-Gen suggests that he and his conglomerate do have a useful function in helping to keep British industry on its toes. It is a threat which many observers fear hinders the development of British industry, but as one analyst puts it, "The fact that he is there and that he is that big means that no

one is untouchable." It seems that if Lord Hanson did not exist - as the epitome of takeover discipline, as an efficient manager of mature British industries, or as archcapitalist target for the Labour Party's wrath - somebody would have to invent him.

# Private suppliers in deep water

Even a sudden downpour would not ease the crisis in some areas, says William Hall

"That dripping tap that you have been meaning to fix for so long must be mended within the next couple of days." Mr Denis Howell on taking up his job as Minister for Drought, August

I t is the end of July, and the temperature in the boardrooms of Britain's newly privatised water companies is rising. Already more than 6m people are subject to hosepipe bans, the media has been starting to talk about the Great Drought of 1990, and the Scilly Isles tourist office is urging visitors: "Save water shower with a friend, whilst drinking your whisky neat."

Though the past 15 days have seen hardly a drop of rain, and the London Weather Centre this week declared an absolute drought, the men at the Met Office say this is nowhere near as bad as it sounds. But the inspectors of the newly streamlined water companies will still be out on hosepipe ban patrol this weekend, with powers to fine miscreants £400 a time. All it needed was for Mr

Colin Moynihan to have been moved from sport to drought - instead of energy - in this week's ministerial reshuffle. and the stage would have been set for a rerun of the Great Drought of 1976 scare. That was the occasion when a frightened government urged households to halve their water consumption. Mr Denis Howell, the Labour government's sports minister, was put in charge of the drought on August 24, and within a month was redundant because rainfall in September and October was twice as heavy as normal.

In many parts of England the weather over the past few weeks has been hotter and drier than in July 1976. In parts of Yorkshire, Humberside, Lincolnshire and Kent rainfall has been below average for all but four or five of the past 26 months and the Institute of Hydrology, part of the government-funded Natural Environment Research Council, says the current drought is more severe in these areas than in 1976. It cautions that any general com parison with 1976 is inappropriate. Then, some areas of central and southern England registered less than half the average rainfall over a 16-month period and the summer of 1976 was the driest in England and Wales for more than 220 years. By contrast last winter was the second wettest this century and the spring was the driest since 1893.

In 1976 the flow of the Thames over Teddington weir the tidal limit - effectively ceased towards the end of the summer. Current river flows are well below average in all regions, but in most of lowland England they are still two or three times those recorded in 1976 and significantly above historical drought minimum. However, the institute is less happy about the situation in eastern England. Rivers such as the Yorkshire and Derbyshire Derwents, and the Stour in Kent, are flowing at, or below, the corresponding 1976 flow in the early summer. The longer-term river flows in Lincolnshire, Cambridgeshire and Norfolk are among the lowest on record.

Against this background, the water companies are facing their toughest public relations battle since being privatised Mr Roy Watts, chairman of Thames Water which last year had to cut off supplies to half a million customers in south-east London for several days, is anxious not to make the same mistake again. "Our duty is to supply water, not to think of reasons for turning it off," says

Mr Watts. A hosepipe ban went into effect last night in the Cotswolds, where demand has been running 60 per cent above normal, and where the underground reservoirs have had significant rainfall since February. However, London is keeping up with demand and Mr Watts says there is no comparison with 1976 when Thames's 7m customers were being urged to participate in a "switch-off day" to avoid

unnecessary rationing. Mr Alan Smith, managing director of Anglian Water, where rainfall, even in normal times, is only half the national average, is putting on an equally brave face. Along with Southern Water, Anglian is unusual in that more than half its water comes from underground reservoirs, or aquifers. Wet winters are far more important for recharging the aquifers than wet summers,

when evaporation is high. So far Anglian has not yet had to impose a hosepipe ban. But Mr Smith admits that last weekend was "bloody grim." In his home town of Bury St Edmonds, the service reservoir which is topped up every night was down to 3 per cent of its capacity as people poured water on their gardens.

It would cost £200m-plus to build another reservoir for the occasional time when demand outstrips supply. Since these peaks in demand tend to be short, "we pump like hell for a few days," until demand returns to normal, says Mr Smith.

However, the big unknown for the water companies is whether the recent changes in the weather are just part of a periodic blip, or reflect a more fundamental climatic change - a concern that went unmentioned in last year's government prospectuses for water

privatisation. If companies such as Anglian are not to face a long-term water shortage, there needs to be a reasonable amount of rain over the next few weeks to start recharging their depleted aquifers. "If we had another couple of dry winters and things did not change. then the pattern of life we have established in this country will be called into question," says Mr John Simpson, Anglian's operations director.

he Federal Reserve chairman, Mr Alan Greenspan, sometimes calls to mind mystic phrases about the unmoved mover of the universe; or perhaps the true story of King Canute, who took his courtiers to the seashore simply to convince them that his powers were limited.

His policies are almost unchanging, his view of the future tentative and cautiously expressed. His lucid evasions earned a tribute last week from Congressman Charles Schumer, an expert in financial matters: "You're getting very, very good at the art of walking all those little tightropes." Yet when he speaks, the financial earth quakes a little. He speaks at length in Congress every six months under the Humphrey-Hawkins Act. When this appearance coincides, as in the past fortnight, with a policy change, he is big news.

Greenspan is a quiet man.

Greenspan is a quiet man, who runs a quiet Fed. Small, friendly and open, at intimate ease with politicians, an endless explainer, a bachelor who greatly enjoys life, he is in almost comic contrast to his predecessor. Mr Paul Volcker is towering, austere, a devoted husband and intensely private; his actions at the Fed were dramatic, his words deliberately Delphic, his encounters with Congress showed him struggling to suffer fools with even the barest politeness. They will both, surely, go down in the records as powerful and remarkable chairmen.

Greenspan is facing his most difficult challenge. The Wall Street crash of 1987 was more dramatic, but there are textbooks on market crises, and he knows all the texts. A relative newcomer, he handled it faultlessly, and will now become part of the texts himself.

What confronts him is a private sector deflation, one of the great mood-swings which afflict the American banking community, now beset with caution just this side of panic. ·His task is to balance this with some monetary relaxation. It must be enough to prevent sobering-up turning to manic

# MAN IN THE NEWS

#### Alan Greenspan

# Tightrope walker who can move markets

By Anthony Harris

depression, yet little enough to avoid alarming monetarists and inflation-worrlers. This is the big tightrope.

He explains his actions sometimes in terms of the monetary aggregates, now undershooting, which must be kept on a "glide path"; sometimes in terms of the real economy, which is, he concedes, very soft, saved from recession only by export growth and tight inventory control. He will cite the yield curve, or the trend of commodity prices or of employment as evidence of the

impact of monetary policy. Every one of these has been selected by one zealot or another - some on his own board - as the appropriate target for monetary policy. Yet for every zealot there is a sceptical monetarist, who denounces any attention to matters other than the aggregates as dangerous "fine-tuning". Greenspan knows all the theories, but

himself remains a pragmatist. He collects indicators like others collect stamps, knowing which real estate agent gives

the best account of the market, which university has the most reliable models, which price movement is the most telling mood gauge at any given moment. His most characteristic pose, colleagues say, is hunched over his screen. watching the markets for the response to the day's moves in credit or foreign currency.

Policy in this style is a learning process, and he is obviously happy in his work hoping, to be sure, to go on getting it right, but also an inquiring scientist who has been given the world as a laboratory for the most delicate experiments. This would be a dangerous game if the Fed were as all-powerful as its admirers and its critics sometimes suppose, but that is not

how Greenspan sees it. The Fed, as he has often explained, can set short-term interest rates, and influence the growth of the monetary aggregates (while monitoring their distortions most carefully). It may or may not be able to smooth the currency

markets without abandoning monetary control - the jury is still out after three years. It cannot set long-term rates, or influence the real cost of capital or the real exchange rate. Its policy decisions are often simply a matter of how far to follow the markets. That is not the only limita-

tion. In matters of monetary policy, the Fed has true independence (though only, in the last resort, at the will of Congress); but this can also be a handicap. It means that the Fed is "out of the loop" in making Administration policy, and is reduced to mopping up the result of errors which an apparently servile central bank might have prevented with early advice.

This is very much to the point at the moment. Much of the rash credit creation of the 1980s, which Greenspan has termed "frenetic", was the predictable result of the two Reagan tax reforms: that of 1981 made property development seem virtually foolproof, that of 1986 removed all the 1981

protections. The consequence: a national wave of over-building, followed by double-digit vacancy rates and a construction slump; in the banking industry, the Trump syndrome - euphoria followed by panic.

The American banking system is especially prone to these swings because it is so fragmented. A regional centre such as Dallas may support 10 "major" banks, and no single one (except, perhaps, in New York and Los Angeles) can see the big picture. Each happily finances projects which may look uniquely good in isolation, without knowing that each of its rivals has backed a similarly "unique" develop-

The regional Federal Reserve banks might be able to assemble a clearer picture, and could take action to head off trouble through such measures as special reserve requirements; but at present their information is too little and too late.

That is the sort of problem which will be receiving urgent attention from the Greenspan Fed. It will not be tackled, though, by barking orders which would probably simply offend the independent-minded regional Fed presidents. Greenspan's is a collegial Fed, in which he gets consensus (sometimes too slowly for his few critics) by the Socratic method, with sharp but always courteous questions.

This does not always suit the White House, which has a pressing political timetable, and can be impatient with the real-world limitations under which the Fed must work: hence the rumours - endemic under every chairman - of pressures and tensions, and suggestions that he may not be invited a second time when his term expires in 1991. But while Greenspan has some critics, he has no known enemies and many friends. He is a reassuring presence, yet he can move markets with a phrase, or a quarter-point change in interest rates. It will be surprising if he does not prove a long-term

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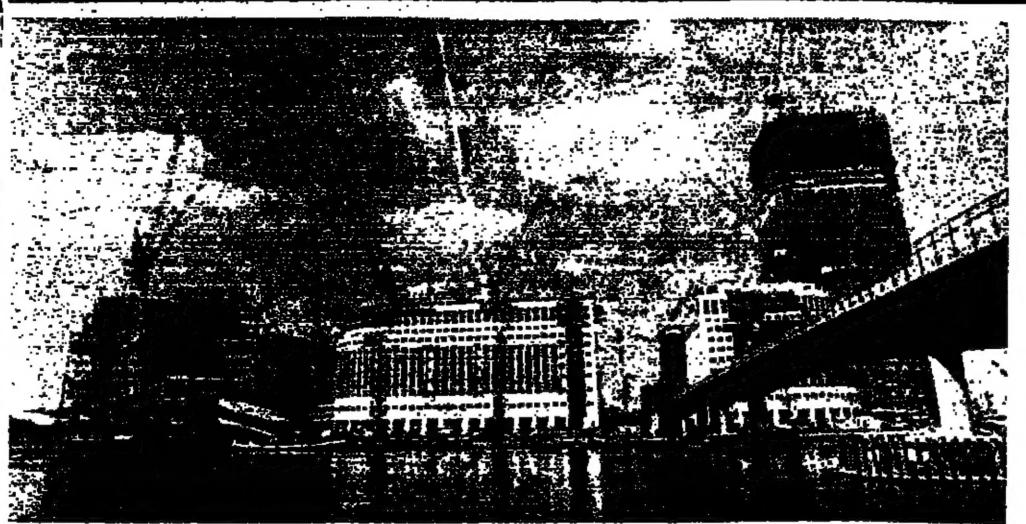
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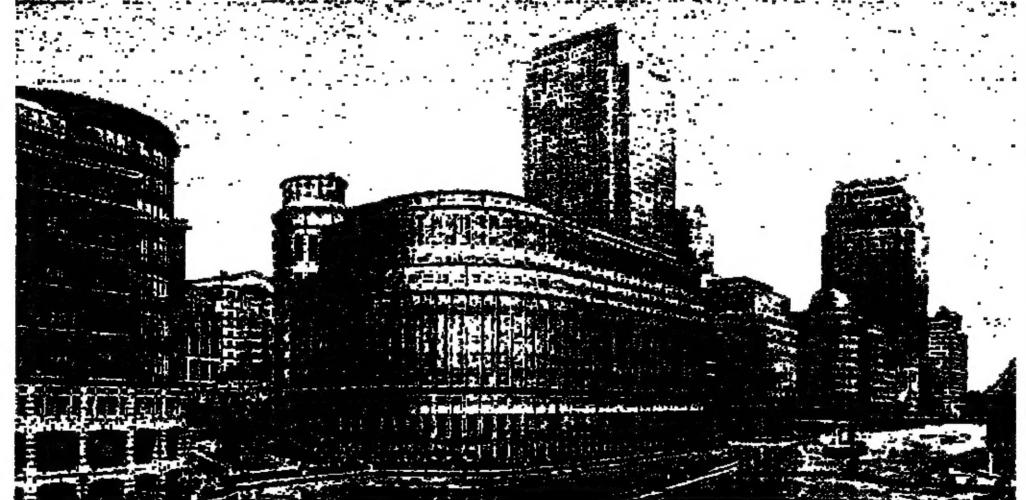
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ur pictures really do look like our buildings," exclaimed my guide as we ecrambled across Europe's largest office construction - Canary Wharf in the London

was hard to tell. The bookful of artists' impressions showed colourful scenes of people lunching in water-front cafés and lounging in leafy parks. But this was all noise and dust. Half-finished buildings reared up all round us, including a giant obelisklike tower that will shortly become Britain's tallest. A row of gaping holes in the ground is where an avenue of trees will be planted - fully grown - next autumn.

How would I feel if the FT

announced tomorrow that it was forsaking the City for this place? On present evidence, I had to reply, appailed. Too much of an unknown quantity. It is stuck two and half miles from the City in derelict land. The transport is terrible: in spite of the developers' promises. It had taken me nearly half an hour to reach it from the Bank of England. And it is totally artificial: the ultimate man-made "business environment" where everything apart from a listed warehouse is being brought in from

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outside. I have to admit that those were my prejudices. To be fair on Canary Wharf you have to perform a mental leap into the year 1995, for it will only STE THE STEE start coming into its own around then, though the first tenants move in next May. Among them are Morgan Stanley, Credit Suisse First Boston, (both of them partners in the project), American Express, Texaco, Ogilvy & Mather and the Daily Telegraph. Are they the lucky ones, or the damned? A few facts first. Canary Wharf is

being developed by Olympia & York, a privately-owned Canadian firm which specialises in glant business centres. But Canary Wharf is its biggest so far. When complete, it will have more than 10m sq ft of office space, equivalent to about a fifth of the total space available in the City of London today. If it succeeds, it will contain 55,000 workers, which in purchasing power

# Unenthusiastic rendezvous with the future

David Lascelles goes on a tour of Canary Wharf

The basic lay-out is along a grand avenue extending up from a giant circus near the river's edge, with several tree-lined squares and waterside walkways. Traffic moves on two levels, the bottom one is underground and leads to parking, the upper one is the street where local traffic and public transport will run.

The office blocks themselves will be grouped round a "retail pavilion" whose star tenant is to be a Marks and Spencer food hall. This will also contain dozens of shops, eating places and services, like printing and repairs. Retailers already signed up include the brewers Fullers and Bass Charrington, Birleys, the sandwich people. Jean Muir, the fashion designer, and Moyses Stevens, the flo-

There will be a multi-screen cinema, an assembly room with a "livery hall" atmosphere, a health club and possibly an art gallery. To add a bit of cultural colour there is a part called Port East designed round the old warehouse which will have a "Covent Garden" atmosphere with gift shops and designer's studios and so on. Among those advising on design are Sir Roy Strong, now a consultant on parks and open spaces, and Sir Terence Conran, who now has his own commercial design studio.

So what would make me want to work at Canary Wharf? Well, one thing would be the quality of the accommodation. The offices will be big and spacious, and for those in the tower there will be tremendous views. The technology will be good too - fast lifts, good air conditioning

- which it will have to be, considering that there will be 6,000 people in the tower alone.

I also saw enough detail to be convinced that the place will have a certain style. O&Y certainly has a good record in this department. Its development beside Wall Street, the World Financial Centre, has been widely praised for the attractiveness of its communal spaces, such as the glassdomed winter garden.

I was also impressed by the thought that has gone into the street design. This may seem rather mundane, but a significant major failing of many modern office developments is that they give you little sense of orientation. particularly when they remove the traffic. Try and find your way in the Broadgate office complex over Liverpool Street station - it is not easy.

O&Y has gone back to the view that people like the feel of a busy street. So all the buildings give on to streets and squares, and you can draw up in front of all of them by car. There are generous pavements, with arcades and shops lining the main thoroughfares. All buildings have to be faced with natural materials up to a certain height. Prince Charles would not be displeased by these features. I cannot say that I was over-

ings: they seemed rather monotonous. If my guide was right about the accuracy of the artists' impressions, the whole lay-out could end up looking like a giant Fritz Lang movie set. But that may be a matter of personal taste. Since O&Y has made a point of getting a different architect for each building, there is, at least, some variety. If it works, Canary

whelmed by the design of the build-

Wharf should be the antithesis of that City planning disaster, London Wall. One of O&Y's big selling points is that Canary Wharf will combine the best of the City and the West End business, entertainment and shopping all rolled into one. Shops and services

will be encouraged to stay open late and at weekends not just to serve those who work there but to attract crowds from elsewhere. I have my doubts. The British are not particularly fond of hanging about after work, and it is a long trek for outsiders. Canary Wharf out of hours could be a lonely place. Which brings me to some reasons

why I would not want to work there. Transport is unquestionably a problem. It is true that there will be improvements over time - the tinpot Docklands Light Railway will be expanded, new roads and a Tube link are being built. But this does not get round the fact that the place is out on a limb unless you live in East London. O&Y is acutely aware of this and has gone to some lengths to ensure that Canary Wharf does not just become a backwater where companies accommodate armies of clerical workers while their top executives stay put in Central London. Tenants are required to locate all levels of staff there, so the business community will have its share of "important" people. Again, I have my doubts. The financial services industry, which accounts

for the bulk of the tenants, is gregarious and I cannot see its members abandoning the City easily. The refusal of Mr Jacques Attali to locate his European Bank for Reconstruc-

tion and Development in Docklands is

indicative of prevailing attitudes. It is

interesting, though, that the two largest Canary Wharf tenants, Morgan Stanley and CSFB, (apart from being foreign) are both firms which had moved their operations out of the City to the West End.

But so far, no important British blue chip name or big City institution has opted to move - not that it necessarily matters in a cosmopolitan city such as London. But O&Y would dearly like to persuade a pillar of the City to move in, and prevent it becoming a foreign-dominated enclave. O&Y says it is confident that by the time it is finished. Canary Wharf will be 60 per cent occupied by British companies. The other point O&Y makes is that, for all its transport weaknesses. Docklands is just about the only place in the whole of London where new transport is actually being built. And where new transport goes, development always follows. It is an argument that does dispel some of the doubt about the area's isolation.

Factors that will be weighed up when decisions about moving to Canary Wharf are made include the cost (at least a third cheaper than the City), and the benefits of pulling operations together. For American Express, which is placing its European headquarters in a 10-storey marble-clad building overlooking Cabot Square, it will be the first time all its London staff are under one roof. My tour was conducted on a brilliant sunny day, and the thought of leafy parks and waterfront pubs was

quite attractive. But how would all that seem in the depths of winter? Having seen it all, I would withdraw the word appalled, and replace it with something milder: unenthusiastic. I have little doubt that Canary Wharf will succeed: it has built up an impressive momentum in the past few months. But I am not going to try to persuade the FT to move. I still prefer the City where nobody is more than 15 minutes' walk away. I could find myself envying the Canary Wharfers their airy offices and convenient shopping. I might even be jealous if the artists' impressions are right. But I can live with that.

A rule change would make tennis more exciting, says John Barrett

# Chance to boost the net effect

tennis, at least as played on fast surfaces like Wimbledon's grass, be altered to make men's singles less boring? This was the question asked by many spectators after this year's Wimbledon tournament, which showed once again that the better players are simply too good at hitting early winners. Although the men's final between Stefan Edberg and Boris Becker was an exciting battle of wills between two expert exponents of the serveand-volley game, it was hardly a great spectacle. In five sets only a handful of rallies reached five strokes. Most were two or three - serve and return, or serve, return and

In contrast, many of the women's matches were thrilling affairs with enough railies to sustain the excitement. No one who saw the climax of Zina Garrison's courageous win against Monica Seles will ever forget it or, for that matter, her equally impressive victory over the reigning champion Steffi Graf. Women do not possess the

strength to smite the ball as hard as men. Even with the new wide-bodied graphite rackets they do not hit the same number of unreturnable serves. However, by taking the ball on the rise and timing it well women can generate amazing pace off the ground. as Graf has shown us with her forehand and Seles with her two double-handed groundstrokes. The new technology has added a fresh new dimension to the women's game, especially on slow clay courts. Hence the dilemma. If you try to frame modifications to the rules of tennis that would curb the power of the men, you are in danger of harming the women's game. Furthermore, anything that makes the game more difficult to play would hardly be in the interests of the millions of amateur players around the world who already find it difficult enough. It would, of course, be possible to have one set of rules for amateurs and one for the professionals but that is undestrable.

Experiments that have already been tried include hav-

ing a line drawn one foot behind the baseline from which the service is delivered. This is the solution advocated by the oldest living Wimble-don men's champion, Jean Borotra. Not only is it more difficult to serve an ace, it also takes net-rushers a fraction of a second longer to reach a good volleying position.

Another proposal is to move the service line one foot neares the net. This certainly makes the serve more difficult but does nothing to dissuade the net-rusher. And think of the complication that would result. Every court in the world would have to be remarked. It would be much simpler to

raise the height of the net from 3' to 3'2" or 3'3" in the centre. That sort of change could easily be applied universally - though it would also indirectly help the serve-volleyer by making it more diffi cult to hit low returns of serve and crosscourt passing shots. Perhaps for the men at Wim-

bledon we should introduce the old "three bounce rule" that the professionals once used to prolong the rallies when they played on the super-fast tarpaulin courts in America.

Under this system neither player is allowed to volley until the ball has bounced three times. Thus, the server must wait for the return before he can approach the net and the receiver is prevented from chipping and charging. This at least would guarantee some rallies.

We could, of course, decree that all tennis rackets must be made of wood - as they were for more than 100 years. It is probably too late to impose so revolutionary a solution but I am confident it would have the desired result. It was much more difficult to play the game with wooden rackets. They did not project the ball as fast off the face as today's graphite frames and, accordingly, set a premium upon skill and touch. If we did have the courage

to take some bold and fundamental action we could look forward once more not only to some rallies but also to strategic planning and tactical inno-

# LETTERS

#### PowerGen and the private investor

electricity pool are largely

ers, who dominate the execu-

tive committee of the pool that

makes the key decisions about

who gets in to the market and

how much they get paid. Few

independent generators will

have the stomach to promote

their plans, once they realise

the true nature of the market

that they would be selling into.

Energy and the electricity reg-

ulator, Professor Littlechild,

put a higher priority on selling

the industry before the next

election than on promoting

competition, investors in Pow-

erGen will have little to fear.

After all, the best hope for

So long as the Department of

From Mr Richard Davies. Sir, I am surprised that the Government is considering a "trade sale" of PowerGen in preference to flotation next spring because of worries that power generation is a risky business that private investors

would find unpalatable. It is true that National Power and PowerGen cannot rely on the backstop of steady earnings from monopoly profits wrought from network ownership, like British Telecom. British Gas or even the 12 elec-

tricity distribution companies. But power generation will effectively remain a duopoly in England and Wales for many years yet. That duopoly will remain so long as the commer-

#### Directions

From Mr P.J. Pace-O'Shea, Sir, Mr Reich (Letters, July 21) writes of his pleasure in seeing a prospectus giving the home addresses of at least some of the directors. In this connection, on querying the legality of the practice in prospectuses of giving the office address of directors, the Registrar informed me in June 1986 that residential addresses are not specifically required to be given under the Companies Acts and that it is safe to assume that the addresses given in prospectuses are those at which directors can reached. However, I do not think the Register of Directors would be correct in showing a director's office address in substitution for his/her residential address and I do not think that the address in the prospectus

From Mr Peter Thompson. Sir. Berlin is the capital of Germany and not the centre from which central Europe's turbulent history emanates, as Hartmut Leithe (Letters, July 26) implies.

should be different.

45 Fellows Road, NW3

P.J. Pace-O'Shea,

2

It would be an outrageous snub to the 17m East Germans if Bonn and not East Berlin's beautiful old centre were chosen as the heart of the German nation. Bonn is a futile deception - a sign of a people who refuse to come to terms with their identity as central Europeans. Bonn has been a symbol of an artificial West German

unceremoniously as the ill-fated and reviled German Democratic Republic by the Hartmut Leithe may feel

that the division of Berlin made the city "outstanding" but the awesome cruelty endured by Berliners during the war, blockade and walled isolation can only lead to a quite remarkable rebirth as a world city more important than London, Paris or New

cial trading rules in the new early development of competition - power projects funded written by the big two producby the 12 distribution companies - has been dimmed by Mr Wakeham's insistence on putting high levels of gearing on their balance sheets and his Government's policy that the industry should not reintegrate vertically.

Given that it seems unlikely that more than a handful of independent power projects will go ahead in the next decade, I would be first in the queue to buy shares in PowerGen plc were I to be given the chance. Richard Davies, 5 Bramber Court,

Sterling Place, Brentford, Middlesex

#### Labour and pensions trustees

From Mr Roger Self. Sir, Barry Riley writes: "Effectively, listed British companies own about 25 per cent of each other" ("When pension funds run out of control," July 21). The use of the word "effectively" means he is probably right but, in a legal sense, surely the trustees of occupational pension schemes own the funds, held in trust for the members and beneficiaries. Of course, ownership and control are different things and trustees' investment decisions are

heavily circumscribed. One wonders if the Government's ambivalence towards the large self-administered pension schemes might not be connected to the fear that a Labour Government would give pension fund members the right to nominate a majority of the trustees. Labour might also give trustees more latitude to avoid short-termist investment

panies.

65 Bryan Avenue, NW10

Forest Way, Groombridge, Tunbridge Wells, Kent

#### Berlin is and should be the capital of Germany

end of this year.

York. Berliners now stand on the Flat 12, threshold of some of the most

decisions and take more control of 32 per cent of the aggregated shares of UK listed com-Roger Self,

From Mr John Byron. Sir, Mr Riley, when pointing out that mathematics ensured that only 50 per cent of pension fund managers could be expected to outperform markets, could have gone on to ask what would happen if each year short-termist trustees all moved their funds en bloc from bottom quartile managers to top quartile managers. In no time we would be down to three managers, all of them index-tracking their way out of trouble. Just think of the costs that would save. John Byron,

state which will disappear as exciting years the city will

ever see as it recaptures its 1930s glory and expands outwards on a rapid and quite remarkable scale. It is the media, entertainment industry, business community, tourist organisations and most of all the people of Berlin who will make the city the capital if the Bonn Government ignores the massive support Berlin has had as the future capital in recent opinion polis.

Peter Thompson, 215|217 Bedford Hill, SW12

# CGT on the withdrawal of housing equity

From Mr John Muellbauer. Sir, I apologise to Peter Spencer (Letters, July 16) if my elufree ceiling. cidation (Letters, July 11) of Anatole Kaletsky's proposal to apply capital gains tax (CGT) to equity withdrawal from housing is identical to his December 1989 scheme. I do seriously believe any CGT system suffers serious disadvantages relative to a property tax in discouraging the release of property by those sitting on substantial capital gains. Some will hold back for the more favourable treatment of such

gains under death duties, or before 1981. await the arrival of some offsetting losses on other assets. or for a more favourable tax regime in the future. Giles Keating (Letters, July 16) argues that the Spencer-Kaletsky scheme creates a new set of distortions in housing: first-time buyers would have

an incentive to borrow as much as possible. However, the great majority have that incentive anyway. The young, seriously rich or those with backing from rich relatives may go for higher loan to value ratios to minimise the tax on later equity withdrawal and hold increased liquidity. These loan to value ratios are, however, limited by lenders. Furthermore, to the extent that CGT on equity withdrawal reduces the anticipated long-term return on such investments, it seems hard to believe that the volume of housing investment by rich first-time buyers would

The more affluent and privileged members of Mrs Thatcher's political constituency are likely to benefit relatively according to the Keating argument and from the price support at the higher end of the market that comes from the incentives not to release property discussed above. These are major selling points for the adoption of the Spencer-Kaletsky scheme by a Conservative government.

However, one may have legitimate doubts (not raised by Keating) about whether a £5,000 annual ceiling on tax free indexed equity withdrawal is tight enough to constrain spending by the mass of homeowners. These hold little in other assets to which CGT would apply. They would have an incentive each year to increase their borrowing by the £5,000 ceiling in case their desire to borrow a larger amount in the future fell foul

of CGT. This is an argument for reducing the annual tax Keating instead argues, not

very relevantly, that a £5,000 ceiling would be too low — for straightforward CGT as proposed by Mervyn King. This is precisely where the Spencer-Kaletsky proposal wins. It recognises that increased mortgage borrowing is just as much a portfolio transaction as is the sale or purchase of a house. Financial liberalisation has made such transactions easy. cheap and more frequent than

Keating rightly argues against singling out "loans secured on housing rather than other borrowing." Logic suggests extending the scheme to all loans in which the lender has a first charge on an asset

offered as collateral. In my recent Institute for Public Policy Research (IPPR) paper, The Great British Housing Disaster and Economic Policy, I reject Keating's claim "that housing has been a relatively innocent transmission mechanism for the effects of macroeconomic policy mistakes." A key UK problem is that monetary policy which is tight enough to keep the consumer in check devastates the supply side of the economy. Furthermore, he neglects the microeconomic critique of current distortions in the UK housing environment.

I have much sympathy with Eileen Heslin's arguments (Letters, July 16) - see the proposal to limit mortgage interest tax relief to 10 years in my IPPR report. In the end, the lack of a well-functioning property tax is probably an even more serious distortion than mortgage interest tax relief. Both need to be addressed. John Muellbauer. Nuffield College, Oxford

From Mr Peter Spencer Sir. Mr Keating (Letters. July 16) reveals some of the practical problems involved in applying CGT to housing, but these obstacles are not insurmountable.

In order to to avoid an incentive for high borrowing by first-time buyers, my proposal would allow homeowners to withdraw their initial stake without attracting a tax liability. Such injections of equity would be added to the initial mortgage when calculating the equity withdrawal. As my original paper showed, this actu-

ally simplifies the formula for tax liability, since it means that the real withdrawal equals the real capital gain less any net investment in new property. I would agree that homeowners could in principle sidestep these rules by taking out unsecured loan facilities, but in practice these tend to be smaller and much more expensive than housing loans.

I share Keating's concern about the effect of the £5.000 CGT threshold, but believe that this simply illustrates the anomalous nature of this exemption. Why is it for example, even after Mr Lawson's 1988 reform, that there is an exemption rule for capital gains but not investment income? I proposed a simple device for removing this discrimination (Letters, February 7 1988). Contrary to Keating's suggestion, the tax system has seriously complicated the task of macroeconomic management, particularly through its effect upon the housing market. If we are now to shoehorn sterling successfully into the Exchange Rate Mechanism (ERM) of the European Monetary System, it will be essential to do something about these distortions.

Peter Spencer. Shearson Lehman Hutton Securities. 1 Broadgate, EC2

From Mr Graeme Anderson. Sir. Your editorial comment ("Housing and the ERM." July 19) quotes the Central Statistics Office as valuing the stock of owner-occupied housing at £964bn. I believe this figure is too high. If one takes the number of owner-occupied dwellings from housing construction statistics and multiplies this by the average house price for 1988 then one gets a figure closer to £738bn. This method is not perfect, of course, but the £964bn equates exactly to the Central Statistics Office's figure for the value of residential buildings in 1988. The biggest difference between this and my figure is the value of privately rented dwellings. One way of looking at poten-

tial equity withdrawal is the size of the loan to valuation ratio. As people withdraw equity from their homes the other side of this transaction is a rise in the loan to valuation

Between 1965 and 1973 the average loan to valuation ratio was 0.26 and between 1973 and

1979 this fell to 0.22. Much of the fall occurred as a result in the rise in house prices in 1972 and 1973. In 1974 the loan to valuation ratio reached 0.19. Between 1980 and 1988, despite financial deregulation, the average loan to valuation ratio

was 0.26. One is struck by the consistency of these figures although since 1986 it has been around 0.3. It would be wrong to conclude that equity withdrawal is not the big phenomenon some economists believe it is. although it is unlikely that this figure could go to one and we should not forget servicing costs. Neither should we buy the argument that the potential for equity withdrawal is dependant on house prices traded at the margin. Equity withdrawal is not dependent on physically selling one's house, merely getting a value of it agreed by the potential lender. Trading down is only

one way to withdraw equity. It is clear then that the equity owner-occupiers could get hold of is significant. Economists however have tended to look at the potential effects on consumption, taken fright, and proposed policies to diminish this. Yet we hear so often that a major factor in the decision to purchase a house is that it is an investment. Moreover the asset-pricing nature of housing is such that policies to reduce the present value of future gains will lower house prices now, a thought not relished by

those who have just bought. Given these factors, and despite evidence so far. we should not assume that all equity withdrawn will be spent in some form of consumption. Many indicators, for example demography, suggest that the real returns from housing experienced over the last three decades cannot be sustained and if people desire a good investment they will have to look elsewhere.

It would therefore seem useful to concentrate policy less on housing and even more on productive alternative investments. Policies to utilise equity withdrawal towards manufacturing industry for example would seem a logical start. The change in psychology that has to be achieved is better done via policy carrots than sticks. Graeme Anderson, Group Economist.

Britannia Life, 190/198 West George Street,

#### Building team work

From Mr D.E. Wiseman. Sir, Andrew Taylor makes some telling points ("Why are British buildings late," July 20), none more so than his comment that the contractual climate discourages teamwork between various trades, professions and contractors.

As consulting engineers entrusted with the design and supervision of complex structural and engineering services on a range of major projects, we too are concerned. We try to persuade our clients and our fellow professionals that teamwork is vital since our ultimate objective is the same, namely, successful completion of the right building at the right price at the right time.

Our company in the US does not have the same problems and in spite of a more aggressive external contractual climate, it does not seem to waste so much valuable time and money negotiating agreements and warranties in isolation which lead to disputes between

team members. Perhaps, it is the tendency to judge all facets of planning. design and construction of buildings on the basis of price alone that has led to more onerous contract conditions. If so, the move back to more negotiated work and joint problem solving must be accelerated.

D.E. Wiseman. Chairman, Oscar Faber Mariborough House. Upper Marlborough Road St Albans, Hertfordshire

#### Ulster deaths

From Mr A.J. McEvou. Sir, In your report of the deaths of three RUC officers and a nun in a mine attack in Northern Ireland (July 25) an error of fact should be noted. The sister killed this week was not the first religious to die in the conflict in the past 20 years. In the early 1970s two Belfast priests, Frs Hugh Mullan and Noel Fitzpatrick, died

from gunshot wounds when

ministering to casualties of

armed attacks on their district of Ballymurphy. I am sure the statement in your columns was an oversight and no reflection on the memory of these two men.

A.J. McEvoy. Centre Universitaire Lausanne, Switzerland **Dalgety** 

disposal

for UK

growth

Industries Editor

cent to 41 per cent.

DALGETY, the food and

agribusiness group, took

another large step away from

its Antipodean heritage yester-day by reducing its stake in

Dalgety Farmers, the Austra-lian wool, livestock and farm

services company, from 65 per

The sale to institutional

investors led by Australia and

New Zealand Banking Group will raise A\$39m (£16.8m) for Dalgety, which also will be repaid borrowings worth £53m. It intends to cut the

shareholding to less than 25

per cent once negotiations are

concluded with other Austra-

gety's gearing to 20 per cent

and sets the stage for expen-

sion in the UK and continental

Europe through the acquisi-

But it leaves hanging by a

thread the links between the

company and Australia, dating

from 16-year-old Frederick

Dalgety's voyage from Scot-

land to Sydney in 1833. He and

his successors built a pastoral

empire which struck back in

the 1970s with UK acquisitions

capped by the takeover of

Spillers, the flour-milling, ani-

mal feeds and pet foods group.

Dalgety intends to repatriate

a total of £75.4m to the UK,

cutting the value of its Austra-

£30m, even before the expected

next sale of shares. The retreat

from Australia was "inevita-

bly tinged with regret," Mr

Maurice Warren, chief execu-

biggest disposal since the

£87m sale of Gill & Duffus, its

commodities business, last

on the cards, however. One

leading contender is Martin

Brower, a US catering services

company. But this may not be

a propitious time to seek a

This factor certainly applies

Down Under, where Mr War-

ren said yesterday: "It is diffi-

cult to sell any assets in Aus-

buyer for Martin Brower.

Other disposals may still be

Yesterday's deal is Dalgety's

tive, said yesterday.

October.

lian investments to less than

tion of food companies.

The disposal reduces Dal-

sets stage

By Jane Fuller

TT GROUP's chances of succeeding in its £35m hostile bid for Crystalate Holdings, the UK electronic components group, were boosted yesterday by the lapsing of its rival's bid after a referral to the Monopo-

lies and Mergers Commission.

Mr Peter Lilley, Secretary of State for Trade and Industry, decided that the bid from Vishay Intertechnology, a US electronics components company, should be examined by the MMC because of possible effects on competition in the UK market for fixed resistors.

Crystalate says it is the UK market leader in these products with 20 to 25 per cent. With Vishay, the combined total would be a maximum of 30 per cent.

Mr Bob Eade, chief executive prised at the referral - the board last week recommended acceptance of Vishay's 90p-pershare cash offer. Although Vis-

hay was one of the group's main rivals in Europe, he said other competition included Philips, of the Netherlands, and "a large proportion of imports from the Far East".

TT, the industrial holding group, first made its 7-for-10 all-share offer on March 30. On yesterday's TT closing price of 132p it was worth 92.4p per Crystalate share, which closed down 2p at 86p.

TT has since put up partial and full cash alternatives, the latter worth 85.5p. The next closing date is 1pm on Monday. Vishay, on the other hand, said it would reinstate its 90pper-share offer if its bid were cleared by the MMC, which has been asked to report by November 23. It also implied that it would improve it, in make up for the delay.

Before the news of the MMC referral came in, TT had raised its holding to 23.6 per cent. After yesterday's announce-ment, market sources said it had bought a further 4 per By Clay Harris, Consumer cent. The latest figure for acceptances is 2.5 per cent.

Vishay, which has long-standing trading relationship with Crystalate, had a tiny number of shares prior to

It had accumulated acceptances for about 6.5 per cent of

During the bid battle, Crystalate announced a pre-tax loss of £900,000 for the six months to March 31. The decline from a profit of £2.29m was blamed on low levels of demand. Since then it has said that cost-cutting and new orders at higher margins would help to restore profitability.

TT, which is active in glass bottles, packaging, fasteners and building supplies, has said that it specialises in buying companies with quality products but poor performance.

# Falling Volvo sales in the UK leave Lex 37% down at £23m

By Jane Fuller

A SLIDE in the number of Volvo cars sold in the UK hit pre-tax profits at the importer, Lex Services, which also had little joy from its other activi-

Pre-tax profit fell by 37 per cent to £23.2m (£36.8m) in the six months to July 1, on turnover down by six per cent to £956.6m (£1.02bn).

The biggest division, automotive distribution, saw trading profit fall by 26 per cent to £27.4m on sales of £712.5m (£754.7m).

The number of Volvo cars registered fell from 42,555 to 36,833, aggravated by the decline in sales of the older 300 and 200 series and by a squeeze on the executive car market. New Vauxhall Cavalier and Rover models had sold well. but the Nissan franchise. which was more dependent on the private buyer, had seen a 24 per cent drop. The group was concentrating on larger dealerships, including an imminent Ford acquisition.

Although used car sales were 8 per cent down, margins

ADMINISTRATIVE receivers

were yesterday appointed to

Honorbilt Group, the clothing

designer and distributor, at the

request of the group's board.

The board refused to comment

Associate Latest 1990

Associate High Low

Honorbilt, which joined the

By Maggie Urry

on the move.

EQUITIES

Lex Service Share price (pence)

had improved. Parts and servicing had shown a 20 per cent

profit increase. Profits were halved at Lex Vehicle Leasing, the market leader in car and van contract hire jointly owned with Lombard North Central. A similar slump was experienced at the other company shared with LNC. Transfleet, which is in

truck hire. Earnings per share fell to

Third Market in August 1987

through a placing at 20p, had

its shares suspended on Tues-

day at 2½p. The joint receivers

appointed are Mr Stephen

Adamson and Mr Alan Bloom

The receivers said that

#Q158%

R4.7 33 4.9 84

R4.05 2.4 4.7 9.3

R2.2 2.9 3.5 9.3

123 125 137 137

Closing Price E

5.1 26 10.6

of Ernst & Young.

Stock

Calls in Cityvision, London & Met-

repolitan Prop., Platignum, Rich-

mond Oil & Gas and Westland

warrants. Puts in Y.J. Lovell,

Gaello Res. and Blenheim Exhibi-

LONDON RECENT ISSUES

poned.

15.6p (26.7p). The interim dividend is maintained at 5.9p.

O COMMENT

In a dire year for UK motor traders, there was relief at Lex's damage limitation in the showrooms, and approval of its gearing reduction and dividend maintenance. But the outlook for car sales in general and Volvos in particular remains worrying. Although Lex made positive noises about Volvo's entry into the medium car market via the 400 range, analysts are more sceptical about its potential against Ford, Vauxhall and Rover models. As for electronic components, even if a charitable view is taken of benefits reaped from all the spending on restructuring, the market remains flat and competitive. Full-year profit forecasts varied considerably. On £38m the prospective p/e on the closing price of 248p looks on the high side at 9.5. The main prop is a prospec-

tralia, or to sell them at a proper price." For this reason, tive dividend yield of 8.2 per he said, "We would see no reason to rush out of the last 25 per cent, given the sum of money involved." Honorbilt calls in receivers Dalgety will now treat its Australian investment as an associate rather than a consolidated subsidiary. Mr Warren said this would enhance earn-Tomato, Honorbilt's US subsidings because of lower tax rates in the UK than in Australia. In iary, was not affected by the receivership. Honorbilt had 1989, £21m of pre-tax profits planned to float Tomato in the from Dalgety Farmers ended US, but this had been postup at £8m after tax and minor-

ities. Hit by the weakness of the wool market and the tra-Honorbilt blamed its difficulvails of Australian property ties on high interest rates and development, Dalgety Farmers poor trading conditions, and on is expected to report lower Gallini Group, which it profits in its latest year. The acquired in September 1988. Honorbilt has issued writs price paid to Dalgety is against the former partners of believed to reflect an exit multiple of about 15. Shelley Pinnick & Co, which was Gallini's auditor and acted Dalgety shares closed 5p as accountants on the deal. higher at 373p.

DIVIDENDS ANNOUNCED										
	Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year					
Cont AssetsInt	14	Sept 6	-	_	0.1					
Forminsterfin	7.19	Sept 12	6.25	10.22	9					
Gibbs Mew §fin	3.75	Oct 1	3.25	6.75	6‡					
Greggsint	4.5	Oct 12	4	-	12					
Independent invfin	0.25	Sept 21	0.25	0.25	0.75					
Jourdan (Thos)int	1.5	Oct 1	1.5	-	5.6					
Lex Servicent	5.9	Sept 7	5.9	-	15.3					
Lloyds Abbeyint	6	Oct 12	6	-	17					
Lioyds Bankint	5	Oct 11	4.3*	-	13.3*					
Optical/Medicalfin	3.46	Oct 29	3.46	5.21	5.11					
Prospect Indsint	0.1	-	nil	-	nli					

Dividends shown pence per share net except where otherwise stated. \*Equivalent after allowing for scrip issue, †On capital increased by rights and/or acquisition issues. §USM stock. Pincludes special 0.5p. fincludes 1p special property dividend. #Special non-recurring Interim.

# Uncertain future for Scottish steel plants

A STATE OF THE STA

By Charles Leadbeater, Industrial Editor

BRITISH STEEL seems set for further controversy over its strategy in Scotland, after Sir Robert Scholey, the chairman, yesterday cast doubt over the prospects for three Scottish

Sir Robert, addressing the annual meeting, said weakening UK demand, combined with rising raw material and energy prices was hitting the company in its weakest product areas, such as seamless tube, which is mainly made in

He also revealed that a wide ranging review of the future of its plate mills had found the Dalzell mill in Scotland lagged well behind its competitors.

The meeting was dominated by debate over the company's recent decision to close its hot strip rolling mill at Ravens-craig in Scotland. Several Scot-tish politicians and trade unionists launched impassioned attacks on the decision. Sir Kenneth Alexander, the chancellor of Aberdeen University, who was nominated by critics of the Ravenscraig closure to join the British Steel

The result of a poll of shareholders due to be announced this morning will show Sir Kenneth won at most 20m votes. Sir Robert told the meeting prior to the ballot, that he had 600m proxy votes pledged to oppose Sir Kenneth's election. Sir Kenneth said he was standing to elicit more information about the background to the closure.

board, is almost certain not to

Sir Robert said the company was not making money at the company is expected to announce later this year the results of its review which analysts expect will lead to further investment at its plate mill at Scunthorpe, rather than Dal-

Mr Jim Sillars, the Scottish affect the nearby Imperial finishing works to which it is linked. The company has another seamless tube plant in the West Midlands. Sir Robert said an interna-

tional study of the performance of plate mills had found that the Dalzell plant was nowhere near world class. The

The group's risk asset ratio,

the main indicator of its capi-

tal strength, is now 8.8 per

cent, after dipping to 7.4 per

cent at the start of the year in

Clydesdale seamless tube mill

near Glasgow, which employs

1.400 staff. British Steel faces

fierce competition in this area

from Japanese and West Ger-

Any cut at Clydesdale would

man producers.

Nationalist MP speaking at the meeting accused the company of hiding the truth that it was intent on ending Scottish steel making and preventing any of its competitors using its unwanted assets.

Mr Bill Miller, chairman of the cross party committee

established to fight the Ravenscraig closure said it would draw up plans next week to further the campaign. It is preparing a report for the European Commission and the Office of Fair Trading on the alleged anti-competitive nature of British Steel's strategy. It may also establish a shareholders committee formally

opposed to the closure. Motherwell Council's detailed report on the alternatives to closure should be produced within the next

# Lloyds disappoints the City with £408m

Sir Robert Scholey: rising costs hitting weakest product areas

By David Barchard

LLOYDS BANK, the smallest of the Big Four clearing banks, yesterday announced lowerthan-expected profits of £408m pre-tax for the half year ended

June 30. However, although that was well below analysts' forecasts of around £440m, the figures marked a recovery from a year ago when Lloyds reported pretax profits of £93m after making bad debt provisions of

Mr Brian Pittman, Lloyds' chief executive, said the six months had not been an outstanding half year for the bank, but it had succeeded in making over 18 per cent return

the wake of Lloyds' 1989 debt provisions. Higher-than-expected debt provisions in the UK dampened what might otherwise have been a fairly encouraging set

of results. There were UK provisions of £190m, compared to £60m a

Provisions on Third World debts, 5483m at this time last year, were a relatively modest £66m, confined to overdue

£47m was provided on other international exposure, down from £61m last The bank's total assets dropped from £57.3bn a year

ago to £55.95bn. Total income

interest payments. A further

was £1.92bn, up by 8 per cent. Net interest income for the group was up by 4 per cent to £1.13bn from £L09bn a year UK retail banking contrib-

uted profits of £202m, 27 per cent down on last year when the division contributed £279m. Lloyds said the downturn reflected the worsening economic climate in the UK, and provisions of £114m made against bad debts.

Profits from corporate banking fell from £89m last year to £28m, after provisions of £51m. Private banking contributed £33m, up from £32m last year, and international banking £71m (£36m).

**Black Horse Estate agencies** moved back into profit, making \$4.8m. compared to a loss of £5.9m a year ago.

Earnings per share emerged at 18p (7p loss).

The interim dividend is being lifted from an adjusted

# Life and pensions sides boost Abbey Life

By Eric Short

LLOYDS ABBEY Life, the life and pensions operations of decline in regular premiums increase in profits from vices subsidiary of Lloyds reported a 14 per cent rise in pre-tax profits at the halfyear from £133.6m to £152.2m, despite a flat performance from Abbey Life itself where pre-tax profits rose only marginally from £67.2m to

The main success story was the rapid growth in the life

in terms of profits, up 86 per cent from £15.5m to £28.8m, and new business, where regular premiums were 30 per cent higher at £25.3m against £19.5m and single premiums doubled from £96.8m to £194.5m.

In contrast, Abbey Life's new business performance was flat, with a 3.6 per cent

assurance and financial ser- Black Horse Financial, both from £53.3m to £51.4m offset £17.5m to £22.3m following a by a 10 per cent rise in single premiums from £95.5m to The non-life business

> operations of Lloyds Abbey Life showed a mixed pat-The independent insurance

> advisory operation, Lloyds Bank Insurance Services, reported a 27 per cent

one-third increase in commission income, while the estate agency operation moved from a £5.9m loss to £4.8m profit, Lloyds Bowmaker Finance saw profits dip from £37m to

The interim dividend is held at 6p, with a scrip alter-

# Greggs satisfied with 3% rise to £2.5m

By Clay Harris, Consumer Industries Editor

GREGGS, the Newcastle-based retail baker, increased pre-tax profits by less than 3 per cent to £2.54m in the 24 weeks to June 16, but said it was satisfied with the small advance over what had been a exceptionally strong performance last year.

Mr Mike Darrington, managing director, said he expected profits to increase at a higher rate for the year as a whole. Greggs made pre-tax profits of £6.89m in 1989.

The interim rise from £2.47m was achieved on turnover ahead by 13.6 per cent to £88.9m (£34.3m). With operating profits increasing only by

9.5 per cent to £2.22m (£2.03m). Greggs's margins at this level slipped from 5.9 to 5.7 per cent. Mr Darrington said Greggs doubted it could continue to match the dramatic improvement in margins achieved in recent years. It would concentrate instead on increasing

Throughout 1990, Greggs intends to add 39 shops to make a total of 444. It is aiming for 800 to 1,000 within five

The company has opened a satellite plant at Edinburgh to supplement its larger bakery in Glasgow and plans to use this pattern elsewhere in the coun-

London, where the Enfield bakery has yet to break into profit, remains one of the main areas for expansion.

Labour costs, accounting for 50 per cent of total costs, are now running 9.5 per cent higher than a year ago, but Mr Malcolm Simpson, finance director, said the bulk of wage settlements had taken place in the first half. Interest income went up to

£322,000 (£280,000) in the half, and there were no property profits after £166,000 last time. Greggs is paying an interim dividend of 4.5p (4p) on earnLoss deepens

at Holographics

Pre-tax losses at USM-quoted Applied Holographics deepened from £2m to £2.83m in the year to end-March, writes Clare Pearson.

The designer and producer of holograms said that over 50 per cent of the total loss could be attributed to investment in extension of an international production, sales and marketing infrastructure.

Mr Ossie Boxall, chairman said the company was "at a point where the investment will start to bring returns." Turnover rose to £4.66m (£2.28m). The loss per share was 16.6p (15.4p). Ahead of the announcement, the shares ings per share of 14.7p (14.2p). | closed unchanged at 345p.

and strong UK dividend growth.

tions, they maintained, that level

of percentage growth in net

income would not be achieved in

Dividends and interest, includ-

ing tax credit, amounted to

£1.43m (£1.2m); expenses and

interest took £134,079 (£122,009)

and tax took £369.163 (£306.953)

leaving earnings per income

share of 7.8484p (6.5176p).

Thos Jourdan slips

to £532,000 halfway

Pre-tax profits at Thomas Jour-

dan, the niche consumer prod-

ucts manufacturer, slipped from

£602,000 to £532,000 in the half-

year to June 30 after interest

the second half of this year.

Based upon current expecta-

#### NEWS DIGEST

# Optical &

International, which supplies specialised products and technical services to the optical and instrumentation industries, has seen a decline in +56 profits and turnover in the 12 months to March 31. At the taxable level profits fell by a little more than £1m

> took less at £2.31m (£2.43m), leaving earnings lower at 8.5p (10.8p). The proposed final dividend is maintained at 3.46p to lift the total 0.1p to 5.21p. The company said that the level of defence business as a proportion of the group's total activities had been reduced to less than 20 per cent of sales.

#### Forminster declines to less than £2m

Forminster, the outer clothing manufacturer, saw taxable profits slip from £2.13m to £1.99m in the year to May 30,

though turnover rose fractionally from £18.28m to £18.9m. Tax took less at £696,000 (£820,000), leaving earnings higher at 40.29p (38.99p). The final dividend is lifted to 7.19p (6.25p) for a total of 10.22p (9p).

mistic of another satisfactory Forminster has continued to acquire its own shares for cancellation and will seek renewed authority for this at the forth-

# for diversification

healthcare industry, G&G Kynoch, the textiles company, is to raise £1.28m net via a placing of 1.25m new ordinary at £1.20 per share. The placing will be underwritten by Banque Indosuez. Kynoch believes that it needs

targeted healthcare as an area for expansion. At the same time the company proposes to appoint Mr Kevin D'Silva as chief executive and group managing director with

particular responsibility for the group's development strategy. He was previously managing director of four healthcare companies which comprise TFX

#### Wm Jackson edges higher

Profits of William Jackson & Son, an operator of discount stores and food markets, edged ahead from a depressed £4.17m to £4.22m pre-tax for the year to April 28. Turnover rose to £196m

(£180.93m) and gross profits to £43.24m (£38.26m). However, distribution costs rose by £4.36m to £35.76m and interest charges accounted for £557,000 more at £859.000. The company's ordinary

# in the red

An exceptional provision of pares with a loss of £29,000 for

the opening six months of the previous year. Loss per 25p share emerged at 18.25p (0.31p). Directors said the adverse result stemmed from a poor performance of the wood furniture business which had continued to

ing the half year. Apart from kitchen furniture the company manufactures foundry products, moisture testing equipment and leisure prod-

suffer production difficulties dur-

#### ATP returns to the black with £147,000

ATP Communications Group.

the Leeds-based communications, marketing and services company, returned to the black in the year to March 31 1990. This USM-quoted company achieved £147,000 pre-tax, though in the first six months it made £103,000 of that figure. However, in the seven months to March 31 1989 it reported losses of £1.58m. in the period under review ATP had turnover of £7.87m and

gross profit of £2.15m. At the operating level profits were £341,000 and interest payable totalled £194,000. Earnings came out at 0.23p per

There is again no dividend for

shareholders but the board wants to establish a progressive dividend policy as soon as is practicable. A highlight of the year, the

company said, was the reduction of its bank borrowings from £3.1m to £500.000. The disposal and closure pro-

gramme was now all but completed, leaving a core of four profitable businesses: ATP Public Relations; ATP Advertising & Marketing; Anderson Design Associates; and Thornton & Pearson Printers

In the seven months to March 31 1989, the group had turnover of £10.29m; operating losses of £1.34m; and losses per share of

#### Derby Trust net assets lower

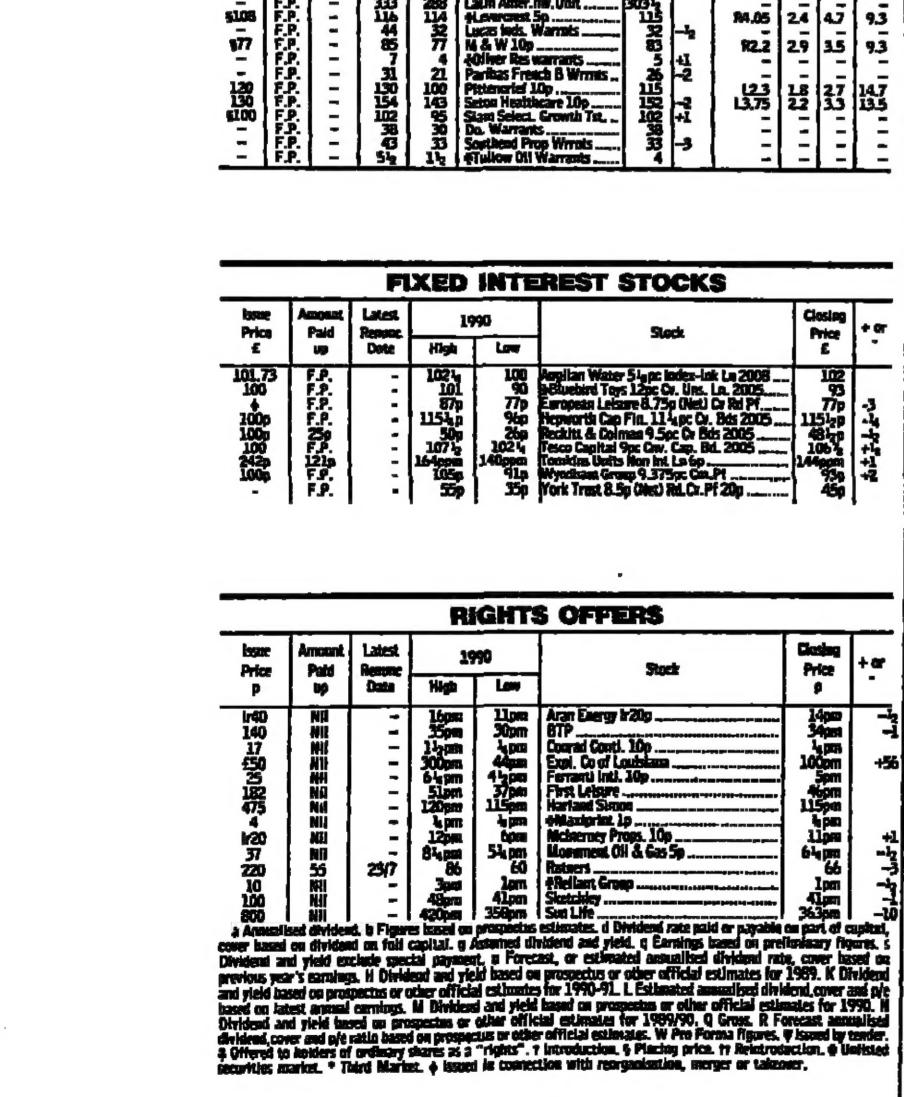
Net asset value per capital share of Derby Trust fell marginally in the six months to June 30 to 415p from 429p six months earlier, allowing for full subscription of the outstanding warrants to subscribe for capital shares the figure was down from 378p to 366p. The directors said the income figures for the first half of 1990

had benefited from higher short-term interest, larger dividends from overseas investments

charges of £145,000, against Turnover rose to £13.33m (£12.26m) and operating profit was up at £677,000 (£624,000). Earnings fell to 1.92p (2.38p) per share and the interim dividend is maintained at 1.5p. Mr Keith Whiiten, chairman,

said: "While the market for consumer goods is generally extremely difficult this year, the pattern is by no means uniform and three of our subsidiaries have finished the half-year with

profits ahead of their budgets."



First Dealings

Last Dealings

For settlement

Last Declarations

London Share Service

For rate indications see end of

TRADITIONAL OPTIONS

Aug. 10

Nov. 1

# Medical Medical

to £6.01m and turnover slipped from £55.57m to £54.39m. Tax

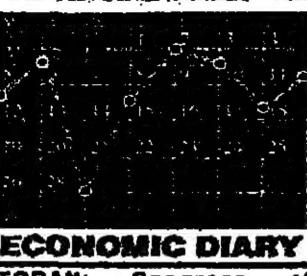
The company said that clothing sales in the UK were slow and that this was grounds for caution, but that it was opti-

coming annual meeting. Kynoch to raise £1.3m In order to diversify into the

to release its dependence on the cyclical textile market and has

shares are not listed Sycamore £1.74m

£1.5m relating a write-off of slow moving kitchen stock left Sycamore Holdings £1.74m in loss for the six months ended March 31. The loss, incurred on a turnover of £4.17m (£3.93m), com-



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FICTURED STATE

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oss deeper

Hologra

TODAY: Congress, of

Senegal's ruling socialist

party (until July 29). Mr Alberto Fujimora takes over the Peruvian presidency. TOMORROW: Agriculture ministers from Japan, Canada. US, Australia plus the European Community Commission meet at Dromoland Castle. Ireland to discuss GATT (until July 31). Mongolia holds parliamentary elections billed as country's first free vote but opposition threatens boycott. Referendum on whether president of Hungary should be elected by the population or by parliament South African Communist Party to be officially relaunched.

MONDAY: London sterling sertificates of deposit (June): Monetary statistics (including bank and building society balance sheets) (June). Bill turnover statistics (June). Sterling commercial paper (June). New vehicle registrations (June), US personal income (June). GATT council conducts reviews of the trade policies of Japan, Canada, Hong Kong and New Zealand in Geneva (until August 3). Professional Association of Teachers holds annual conference in Nottingham (until August 3). STC interim statement TUESDAY: CB! industrial

trends survey (July). US single family home sales (June) Start of two-day meeting of prime ministers and foreign ministers of "Pentagonal" group of countries (Italy, Austria, Czechslovakia, Hungary and Yugoslavia) in Venice. Milk Marketing Board's annual meeting. Central Transport Consultative Committee annual report.

WEDNESDAY: Overseas earnings of the City (1989) Advance energy statistics (June). Overseas travel and tourism (May). US leading indicators (June); construction spending (June). Woolf inquiry into prison disturbances. Launch of Russian spacecraft to Mir space station.

THURSDAY: UK official reserves (July). Mrs Margaret Thatcher, Prime Minister, visits Colorado (speaking at the Aspen Institute on Sunday). US factory orders (June). New launch date set for Hoverspeed's catamaran service between Portsmouth and Cherbourg.

FRIDAY: Housing starts and completions (June).

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The Financial Times 1	td 199	O. Cor	npiled	by the	Fina	icial T	imes L	td in c	onjunc	tion wi	th the In	stitut	e of Ac	waries	and the Facul	ty of Actuaries	
EQUITY GROUPS		Frida	ay Ju	iy 27	1990	•	Thu Jul 26	Wed Jul 25	Toe Jul 24	Year ago (approx)			High	s and	Lows Index		
& SUB-SECTIONS		1	ESI. Earning	Gross Div.	Est. P/E	ad adj.								•	Si	ace .	1
Figures in parentheses show number of stocks per section		Day's Change	Yield*	(Act at (25%)	(Net)	10 gale	Index No.	No.	Index No.	Index No.	Higi		990   La	)W	High Comp	ace lation Low	
1 CAPITAL GOODS (194) 2 Building Materials (26)			13.69	5.40	9 02	30 01	1125.85	1121 26	1122.08	995.55 1222 73	1188.21	4 /L 3 /l	813.49 989.61	30/4 30/4	1038.07 16/7 /87 1381.08 16/7 /87		
3 Contracting, Construction (36) 4 Electricals (10)			16.47 11.77	5.46	10.45	35 78 61 43	1443 56	1438,27	1432.02	12628 82	1621.44	4 /1 4 /1	1278.36 2317.73	1 /5	1951.50 16/7 /87 3040 80 8 /9 /89	71.48 2 /12/74	İ
5 Electronics (26)	1786.11	. +0 1	10 60 14.09			51 42	1784.64	1796 95	1812.29 462.13	2283.36	2044.72	9 /1 13/6	1717.35 409.55	30/4 6 /3	2308 22 19/5 /89 502 42 13/6 /90	1229.01 8 /10/85	1
7 Engineering-General (46)	492 46	-01	12.06	5.19	10 04	11.34	492.83	492,82	490.87	0.00	505.10	15/6	448.31	30/4	505.10 15/6 /90	448.31 30/4 /90	l
8 Metals and Metal Forming (6) 9 Motors (1,3)	348 82	-0.9	23.86 16.18	6.70	7.19	9.81	352 02	353 25	351.28	529 82 359 74	403 90	4 /1 4 /1	457.99 327 76	27/4 10/5	596.67 9 /10/87 411.42 13/10/87		1
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	2617 14	+03	8 66	3 15	14.78	40 59	2610.14	2614.11	2591.06	2533 86	2617.14	3 /1 27/7	1001.05 2188.04	30/4 30/4	1220.42 4 19 189 2722.30 5 19 189	54.25 11/12/74	
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32 Publishing & Printing (16/ 34 Stores (34)	813.61	-0.6	10 87	4,63	11.91	16 49	818.66	825 41	819 45	3791.66 891.79	866 32	4 /1 13/6	3029.15 690.43	30/4 27/4	5070 66 5 /10/87 1160.58 29/7 /87	52 63 6 /1 /75	1
35 Textiles (11)	. 489.64	-0.7 -0.9	12.58		10.03		493.06 1157.19	495 78	491 69	563 23		4 /1 3 /1	447.50 1059 71	30/4 30/4	914.52 2 /10/87 1233.52 3 /1 /90	62.66 11/12/74 58.63 6 /1 /75	1
41 Agencies (16)	1491 00	-0.3	6.87	2 61	17 59	15.86	1495.01	1514.35	1496 42	1468.43	1757.73	15/6	1471,39	30/4	1795.57 17/7 /87	870.35 4 /12/87	1
42 Chemicals (24) 43 Conglomerates (15)	.1610.68	-13	10.59	6.20	11.35	31.95	1631 84	1645.59	1635.04	1321.52 1712 65	1722.31	14/6 14 <b>/</b> 6	1138.16 1480.08	27/4 30/4	1545.46 5 /10/87 1819.46 11/8 /89	71.20 1 /1.2/74 975 19 10/11/87	
44 Transport (13)	. 2327.00	-1.3 -0.4	10.57 11.41				2358 64	2359.17	2346 91	2482.11		4 /1 3 /1	2093.96 1019.16	30/4 30/4	2554 69 12/7 /89 1290 72 3 /1 /90	90.80 29/6 /62 517.92 30/11/84	1
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48 Miscellaneous (27)			12.69 10.85		11.26					2053.95 1223.29		3 /1 3 /1	1674 89	10/5 30/4	2087 06 11/7 /89 1273.71 5 /9 /89		1
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59 500 SHARE INDEX (500).		_	11.07		11,16					1303 74			1140 35	30/4	1369.88 16/7 /87		
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65 Insurance (Life) (7)	1475.38	-I.4	-	5.00 6.21	-	36 94	1495.69	1501.47	1512.75	1179.12	1519.19	29/6	1220 17	1 /5	1519.19 29/6 /90	44.88 2 /1 /75	ı
66) Insurance (Composite) (6), 67) Insurance (Brokers) (8),,			8.92	6.67	14.77	32.95	956 66	954.06	957.45	623.48 982.89	1194.74	2 /1 4 /1	622.62 943.38	30/4 23/7	768.11, 29/12/89 1399.56 17/7 <i>181</i>	65.86 16/12/74	İ
68 Merchant Banks (7) 69 Property (47)		-03	8.02	4.63 4.32						370.16 1373.58		8 /2	403 22 1055.23	30/4	547.59 12/10/87		1.
70 Other Financial (24)	288.23	-0.2	10 58	6.79		<u>8 95</u>	268.85	289.64	289.68	378.75	350.59	4 /1 4 /1	287.29	4 /5 10/7	1398.87 5 /9 /89 603.48 16/7 /87	33.29 17/12/74	F
71 Investment Trusts (66) 91 Overseas Traders © (5)			9.79	3.20 6.36	12.21					1220.13 1429.23			1113.92 1269 70	30/4 30/4	1323.81 4 /1 /90 1614.04 3 /1 /90		L
99 ALL-SHARE INDEX (679).			-	4.82						1176.69			1043.16	30/4	1238.57 16/7 (87	97.37 6 [1 [75 61.92 13 12 74	ľ
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FT-ACTUARIES SHARE INDICES

AVERAGE GROSS Fri Jul 27 Thu Jul 26 1990 **FIXED INTEREST** REDEMPTION YIELDS . 730 xd adj. today Day's change % Thu Jul 26 xd adj. 1990 12.36 11.94 11.85 10.16 2 /1 9.58 2 /1 9.52 2 /1 15 years..... to date 9.06 10.32 9.51 9.17 25 years.... 13.58 12.45 11.98 11.03 2 /1 2 /1 9.97 15 years...... 1 Up to 5 years ..... +0.34 | 115.41 115.80 +0.84 121.35 2 5-15 years ...... 10.45 9.74 11.17 2/1 13.67 +1.25 125.74 6.15 8 Coupons 10.17 2/1 11.03 10.72 9.37 9.12 12.27 9.78 +1.23 142.21 7.35 11.83 9.66 4 /1 5 All stocks .... +0.71 121.54 Index-Linked 5.24 4.32 4.09 4.13 2.99 3.51 2,20 3.34 5.48 20/7 4.37 20/7 3.83 5 /1 3.60 4 /1 1 Inflation rate 5% Up to 5yrs. 6 Up to 5 years .... 148.06 +0.12 147.87 1.49 12 Inflation rate 5% Over 5 yrs. 2.95 2 /1 3.43 4 /1 13 inflation rate 10% 14 inflation rate 10% 4.37 4.17 Up to 5 yrs... 136.95 +0.41 136.40 7 Over 5 years ..... Over 5 yrs.. 4.11 +0.38 | 137.15 12.40 11.85 11.32 13.85 12.80 12.51 12.27 14.48 15 years... 13.89 11.99 2/1 25 years.. 75.47 +0.14 75.37

Equity section or group Equity section or group
Other industrial Materials .....
Health/Household Products.... 1968.45 1114.07 1114.07 † Flat yield. A list of constituents is available from the Publishers, The Financial Times, Number One, Southwark Bridge, London SE1 9HL, price 15p, by post 35p.

CONSTITUENT CHANGES: Parkfield (10) and FKB (41) have been deleted and replaced by PFG Kenyon International (48) and Yorkshire Chemicals (42). • Corrected year ago figures for yesterday's paper:- Overseas Traders 1418,80, All-Share 1166.71, FT-SE 100 2283.7. LONDON TRADED OPTIONS

THE FUTURES market remained under pressure yesterday as Wall Street continued to ease, white in the traded options market GKN was actively dealt as its underlying shares retreated.

The September FT-SE 100 index contract closed 8.0 lower at 2,377.0. Its premium over the underlying index widened to 47 points, against 44 at the previous In the traded options market

session. But at one stage it had narrowed to 33 points which was less than fair value. turnover continued to be depressed. Total volume stood at 28,287 contracts, compared with 27,017 on Thursday. Daily volume

52 68 - 9 14 -25 41 50 25 28 34 9 20 36 58 58 61

68 95 102 8 14 20 35 62 75 25 32 25 14 38 52 65 65

330 41 51 65 7 10 12 360 18 34 46 18 24 26 390 9 22 32 36 38 40

300 35 43 55 5½ 10½ 12 330 17 26 36 17 22 24 360 18 34 46 18 24 26

260 34 50 55 7 10 14 290 20 36 42 14 17 22 300 13 25 31 24 27 31

280 36 45 53 4 5 8 300 22 32 41 10 13 14 330 7 15 25 28 29 31

120 24 29 32 3 6 7 130 17 22 26 55 9 11 140 10 15 19 9 14 15

280 32 38 45 8 13 17 300 19 26 35 17 23 27 330 612 14 - 37 39 -

less than 30,000 contracts, a figure which many dealers consider necessary to be bettered if overheads are to be covered.

Once again dealing in puts predominanted, reflecting the broader stock market decline. Yesterday's total was divided between 16.870 puts and 11.417 Stock index options saw a

small increase in turnover to 9,202 from 7,247 in the previous session. The Index total was divided between 2,528 calls and 6,674 puts. Trading in the index was swelled by the explry next week of the July contracts. The July 2,400 puts were the this week has continued to be busiest, which traded 2,139 con-

Among the stock options, GKN was the most active, as its underlying shares fell 5 to 397p on turnover of 2.2m. Activity in the options was lifted by one large transaction, which was said to involve the purchase of 1,000 January 360 puts at 7p and sale of 1,000 October 360 puts at 4p. Total turnover in GKN stood at 2,445 contracts, of which 2,325 were puts and 120 were calls. Dealing in Hanson options was also lifted as its underlying securities fell back. Some 1,349 contracts changed hands, of which 816 were calls and 533 were puts.

The November 260 calls were

busiest, trading 450 lots. 300 3 13 ½ 32 14 16 18½ 330 1 4½ 9 43 43 43 200 22 27 35 3 51<sub>2</sub> 81<sub>2</sub> 220 9 16 24 91<sub>2</sub> 13 16 EURO FT-SE INDEX (\*2331) 2225 2275 2325 2375 2425 2475 2525 2625 220 19 264 344 15 44 6 240 34 134 215 65 12 134 Jely 27 Total Contracts 28,284 Calls 11,414 Puts 16,870 FT-SE Index Calls n/a Puts n/a Euro FT-SE Calls n/a Puts n/a

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# Lloyds Bank results for the first half of 1990

"The results show a welcome recovery after last year's heavy provisions for third world debt. Conditions in the UK will be difficult throughout the year, but we are weathering them well and our life assurance business is developing strongly. We are maintaining our prudent approach to provisions for bad and doubtful debts, and have strengthened our capital ratios. At the same time we are able to increase the interim dividend by 16 per cent." Sir Jeremy Morse, Chairman

	Half year to 30 June 1990 (unandited) £m	Half year to 30 June 1989 (unaudited) £m	Full year 1989 £ra
Profit (loss) before tax	408	93	(715)
Tax charge (credit)	138	141	(216)
Profit (loss) after tax	270	(48)	(499)
Minority interests	43	40	87
Profit (loss) before extraordinary item	227	(88)	(586)
Extraordinary item	94		-
Profit (loss) attributable to shareholders	321	(88)	(586)
Dividends	62	52	163
Post-tax return on average shareholders' equity	18.4%	(5.9%)	(20.4%)
Earnings (loss) per share	18p	(7 <sub>P</sub> )	(48p)
Dividends per share	5.0p	4.3p	13.3p

\* Financial information for the year 1989 is based on the full accounts for 1989, on which the auditors gave an unqualified report and which have been filed with the Registrar of Companies

An interim dividend of 5.0p per share will be paid on 11 October 1990 to shareholders registered on 16 August 1990. Shareholders will be offered the choice of taking shares instead of the cash dividend.

Copies of the news release may be obtained from Investor Relations, Lloyds Bank Plc, 71 Lombard Street, London EC3P 3BS. Telephone: 071-356 1711.



THE THOROUGHBRED BANK.

## INTERNATIONAL COMPANIES AND FINANCE

# HK family launches US acquisition drive

By John Elliott in Hong Kong

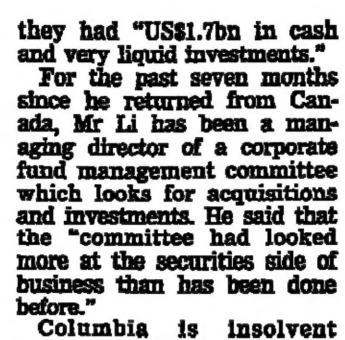
MR Li Ka-shing, one of Hong Kong's leading entrepreneurs, has launched a wide-ranging acquisition drive in the US by paying US\$150m for a 50 per cent equity stake in Gordon America, the Canadian-led partnership which this week bought a \$3bn junk bond port-folio from Columbia Savings & Loan of California.

Mr Richard Li, Mr Li's 23year-old second son, yesterday said that the acquisition provided the group with a "window to look at corporate America" because Gordon was a debt-holder in 175 companies covering almost every industry

in the country. "That is a very good window indeed to look for further investment in the US and it is the primary reason for investing in the junk bonds," said Mr

The Li Ka-shing families' public and private company stake in Gordon America is interests range from property and container ports to telecommunications and banking, and are thought to be worth well over US\$3bn. They are cash rich. Last night Mr Li said that

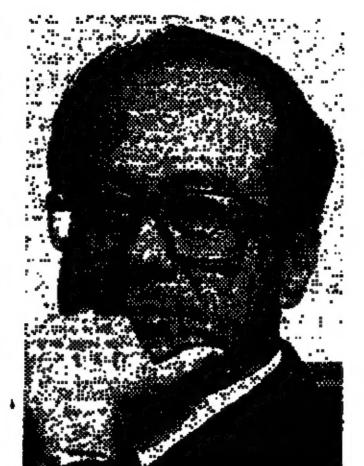
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because of US\$1bn in losses and market declines in the value of low investment grade debt, junk bonds.

It agreed on Wednesday to sell its junk bond portfolio for US\$3bn - US\$300m in cash and US\$2.7bn in note bearing interest – to Gordon America LP, which was created for the

Yesterday it was announced that the 50 per cent Li family split between Cheung Kong and Hutchison Whampoa, the two main Hong Kong stock market listed companies. which have 20 per cent each, and an unnamed family-owned



Li Ka-shing: interests from container ports to banking private company which has 10

per cent.

The remainder is held by Gordon Investment Corporation (GIC), an aggressive merchant bank based in Toronto and New York which has close links with the Li Ka-shing fam-The driving force behind GIC

Canadian Imperial Bank of Commerce and Hollinger, the is Gordon Capital, a closely-held securities firm where Mr Canadian holding company controlled by Mr Conrad Black, Richard Li was a stake-owning partner in Toronto until he owner of Britain's Daily Telereturned to Hong Kong early this year. Hutchison has 5 per graph newspaper. Gordon Capital's principal cent, while another 20 to 25 per partners own 50 per cent of cent is held by Canadian Impe-

GIC. A Gordon official declined rial Bank of Commerce, a yesterday to spell out the pre-Canadian bank in which the cise distribution of the remainfamily has a stake of under 10 ing 50 per cent. GIC has a total capital base of some C\$400m. This network of holdings GIC and the Li group are at means that the Li family effec-

risk in the Columbia junk bond tively controls more than 50 deal to a maximum of their per cent of Gordon America. It US\$300m downpayment. The also suggests that the Gordon remaining \$2.7bn has been covcompanies will be playing a ered with a 10.5 per cent note, leading role in the family's search for US acquisitions.

Mr Li said last night that, which Gordon America will pay down either through income generated by the secuwhile the family had extensive rities in the portfolio or interests in Canada there was through sales of part of the "very little at present in the portfolio. US" and it did "not want to

If the junk bond market turns sour again with the Mr Li Ka-shing has frevalue of the Columbia portfolio quently said he would like to expand from 20 per cent to 30 dropping by more than 10 per cent, Gordon can theoretically per cent the proportion of his walk away from the investquoted companies' interests ment, forfeiting its downpay ment and returning the bonds GIC's other partners include the Kuwait Investment Office. to Columbia.

#### Philip Morris will not change terms of NEWS IN BRIEF Deal signed to produce ICI drug at Czech plant

AN AGREEMENT to produce Tenormin, ICI's top selling heart drug, in Czechoslovakia was signed yesterday in London, writes Our Financial Staff.

Mr Jaroslav Kolar, general director of Lachema, a Czechoslovakian chemicals and pharmaceuticals manufacturer, and Mr John Mitchell, chairman of ICI East Europe, signed the agreement at ICI group HQ. ICI Pharmaceuticals will provide formulation technology and supply atenolol, the drug's active ingredient, to Lachema to enable 4m tablets of Tenormin to be produced initially at Lachema's Bruo factory.

■ Independent Newspapers. New Zealand's biggest publishing group controlled by News Corporation, yesterday disclosed a net profit of NZ\$21.2m (\$12.4m)for the year ended June, 1990, compared with NZ\$20.6m for the previous 15month period, writes Terry Hall.

The result was achieved despite redundancy costs of NZ\$8.6m and losses - of NZ\$8m before tax - at the recently acquired Auckland Star and Sunday Star. These titles are now operating profitably, the company said.

Mr Mike Robson, managing director, said redundancy costs were expected to fall sharply this year. He said the poorer performance in the second half was mainly due to seasonally lower revenue, problems with the Auckland Star and the launch of a new national colour magazine. Circulation of other papers was strong, he said.

Turkey is understood to be putting together rescue plans for troubled Metas, a private sector steel plant shut down in April, writes Jim Bodgener.

The company owes nearly TL200bn (\$74.9m) to various banks, the largest creditor being quasi-state Turkiye Is Bankasi. The company's 1,800 workers, on mandatory yet paid holiday since the shutdown, have threatened a hunger strike from August 3 should the plant closed down permanently.

■ Westinghouse Electric of the US plans to buy the assets and trade name of privately-held Knoll International for an undisclosed amount of stock, making it the world's third largest producer of office fur-

Knoll, which employs about 2,800 people, designs, manufactures and markets modular office systems, office seating, desks and office accessories.

#### Suchard tender offer Wednesday, Vontobel said that at a multiple of 13 times estimated 1990 earnings for the reorganised Suchard the price

By William Dullforce in Geneva

PHILIP MORRIS, the US tobacco and consumer products group, said yesterday that it had no intention of changing the terms and conditions of its tender offer to Jacobs Suchard shareholders.

A report from Bank Vontobel, Zurich, advising Suchard's shareholders to reject the bid was inaccurate and misleading, the US group said.

Separately, the Zurich district attorney's office said it had opened a formal investigation into possible insider trading in shares of the Swiss chocolate and coffee group before last month's announcement of the proposed acquisition. The Philip Morris offer,

worth SFr3.67bn (\$2.64bn) to the minority shareholders, is valid until September 3. The US company will acquire 38.5 per cent of the equity and 64.5 per cent of the voting rights from Mr Klaus Jacobs, the majority shareholder, and from the purchase of 100,000 disposable bearer shares.

It is offering other shareholders SFr1,660 per registered share compared with the SFr6,645 paid to Mr Jacobs.

In a report released on

offered to the minority shareholders was too low.

The bank argued that Philip Morris needed an equity stake of 80 per cent to be able to take advantage of tax savings. It was "very probable" that, if its bid was not accepted, the US group would be forced to raise

But yesterday Philip Morris said it would not alter the conditions of its offer, regardless of possible US tax benefits. Mr Guy Smith, vice president for corporate affairs, said

that under US fiscal law a holding of 80 per cent or more could make possible certain "elections" but the calculations and decisions to determine whether or not advantages could be drawn could not be made until some time in 1991. One Swiss analyst said Bank Vontobel's principal argument against the bid was that it was inadequate. He still believed that Philip Morris would change its mind, if it failed to secure 80 per cent of the stock

by September 3.

# rise 12.9% in first half

By Tom Burns in Madrid

BANCO BILBAO VIZCAYA (BBV), Spain's largest bank group, yesterday announced consolidated net profit of Pta48.7bn (\$492m) for the first half of 1990, a 12.9 per cent increase on the Pta43.1bn profits in the same period last year.

BBV's net interest revenue grew by just 0.9 per cent to Ptal71bn compared with the first half of 1989 due to what the bank termed a "restructuring of liabilities."

BBV said adjustments over the past six months ensured that in the future the bank's growth would not be affected

by such factors. The factors that had made an impact on the BBV balance sheet included credit ceilings imposed by the economy ministry, and action by the fiscal authorities against one-payment life insurance policies.

The bank also said it had incurred increased costs due to its introduction in February of a high interest bearing account.

Such accounts, known as

supercuentas, have narrowed the margins in all the banks that have introduced them. Banco Central, second ranked Spanish bank in terms of customer deposits and one of the few institutions that has held back from the supercuentas war, announced a 18 per cent rise in first half pre-tax profits to Pta27.7bn and and a

financial margin to Pta77.8bn.

WEEKLY PRICE

# BBV profits Bond buy-back offer turned down

By Bruce Jacques in Sydney

THE BULK of US bond holders in Bond Brewing Holdings, the troubled Australian brewing group controlled by Mr Alan Bond, have officially refused a discounted buy-back offer. Cede and Co, legal represen-

tative for 65 per cent of the bond holders, yesterday announced that the buy-back offer at 62 cents in the dollar had been rejected by its cli-

The buy-back offer was from **Bond Corporation Holdings** and its associate, Bell Resources, and called for the US bond holders to forfeit their rights to a US\$32.5m interest payment.

The Cede announcement said the bond holders would continue their action in the Victorian Supreme Court on Monday, aimed at placing the Bond brewing operation into iquidation.

On Tuesday, Bond Corp shareholders are due to vote on a proposal to sell the breweries to Bell for about A\$1.8bn (US\$1.4bn). But there are doubts about the legal standing of the meeting because it does not meet the requirements of the Australian Stock Exchange.

The exchange is believed to have threatened to delist Bond Corp shares, which are already suspended from trading, if the meeting does not comply with listing rules calling for, among other matters, much more information.

limit itself just to Canada."

that are outside Hong Kong.

per cent

Delisting would pose a further liquidation threat to Bond Corp because it would probably mean similar action on overseas exchanges where Bond Corp. debt securities are listed. Bond Corp's European creditors have also refused a discounted buy-back offer.

Mr Bond offered earlier this month to resign as the company's chairman, and one of his directors, Mr Peter Lucas, has openly talked of likely liquidation for the group.

#### Aetna's net profits up to \$203.8m

By Karen Zagor in New York

AETNA Life and Casualty, the largest investor-owned US insurance company, yesterday reported second-quarter net profits of \$203.8m or \$1.82 a share, compared with \$169.6m or \$1.52 for the same period in 1989 – an increase of 20 per cent.

Results in both quarters, however, were distorted by extraordinary items. The latest quarter included

net realised-capital gains of \$31m or 27 cents a share. The 1989 period included net realised-capital gains of \$12m or 11 cents a share. Net earnings from

operations in the second quarter were \$172.8m or \$1.55 cents a share, 10 per cent above the \$157.6 or \$1.41 earned a year earlier. Aetna's quarterly revenues fell 7 per cent to \$3.18bn from \$3.42bn.

Mr James Lynne, Aetna's chairman, said the company had significantly better group insurance results.

"However, our commercial insurance and reinsurance results continue to reflect a soft pricing environment and our personal auto insurance business is still suffering from high loss costs and inadequate rates," he said.

High/Low

niture. Reuter reports. In the first half of 1990. Aetna made net profits of \$383.6m or \$3.43 a share, a 12 per cent improvement on the \$343.2m or \$3.04 report the year

# IBM plans to reshape European organisation

By William Dawkins in Paris

INTERNATIONAL Business Machines (IBM) is to reshape its European organisation to give national managers international responsibility for the business sectors in which they are strongest.

The move aims to bring decision making closer to customers, an aim in common with IBM's much more radical re-organisation of its US businesses at the end of the 1980s, the company said.

It is also a response to the way in which the development of the European single market is making national markets more international. IBM's European sales rose by 7.3 per cent to \$21.6bn last year, about a third of the group total. The move means Mr Hans-O-

laf Henkel, president of IBM Germany, takes charge of mainframes - where Germany is Europe's biggest market and industrial customers. Mr Anthony Cleaver, president of IBM UK, takes charge of personal computers and AIX systems, IBM's version of the Unix software system, while Mr Ennio Presutti, president of IBM Italy, takes over middle range business computers, government and public sectors and scientific and technical

computing solutions.

Mr Pierre Barazer, president of IBM France, takes charge of **European** communications systems, a reflection of the strength of the French telecommunications industry. The remaining pan-European functions, such as production, deliveries and financing services, will be handled by Mr John Cunningham, director of planning and technical services for IBM Europe.

About 170 job functions now based at IBM's roughly 1,750strong European headquarters in Paris will be shifted to West Germany, Britain and Italy over the next two years. That does not necessarily mean the executives now in those jobs will be transferred, since the posts could be filled by IBM staff already in those countries or transferred from elsewhere.

the company said. The remainder will move to IBM France, where they will be mostly occupied backing up their old organisation, IBM Europe, which will continue to set strategy and business objectives for the national

No direct job cuts are planned, though the European workforce might shrink slightly because of more efficient use of staff. IBM said.

Chicago

#### Sallie Mae in talks to save HEAF By Janet Bush in New York

THE Student Loan Marketing Association, popularly known as Sallie Mae, said yesterday that it was conducting talks with the Government aimed at finding ways of rescuing the Higher Education Assistance Foundation, the largest US guarantor of student loans. which is on the brink of financial collapse.

News of HEAF's financial troubles because of rising student loan defaults was one reason cited for the stock market's plunge last Monday and raised wider questions about the health of the student loan system at a time when credit is already the burning issue in 19.2 per cent growth in its Congress because of chaos in the thrift industry.

Among the options being considered is Sallie Mae taking over the foundation's portfolio of loans and being designated a guarantor by the Government. Sallie Mae is a Washingtonbased company which is chartered by Congress to provide

market by buying loans and helping finance other buyers and lenders. Reports of Sallie Mae's discussions with the Government prompted considerable concern within the student loan indus-

liquidity to the student loan

try yesterday. Other guarantors, which charge fees of up to 3 per cent of the loan's principal, argued that Sallie Mae should not act as guarantor as well as provide

COCOA .

- London FQX

Previous High/Low

a secondary market for these loans, partly because the company is already too dominant in this area. It is already the owner, or the source of funds, for more

than half of the \$51bn student loans outstanding. Sallie Mae declined all comment on its discussions yesterday but noted that its charter allowed it to be designated a

guarantor. Its financial linkages with the foundation are twofold. Firstly, Sallie Mae advanced about \$800m to HEAF early last year, and secondly.

foundation.

E/tenne

between \$2bn and \$3bn in loans on Sallie Mae's balance sheet are guaranteed by the

#### **WORLD COMMODITIES PRICES**

**Previous** 

LONDON METAL EXCHANGE

Uumintum, 98.7% purity (5 per tonne)

Close

CHANGES	prices	on week	Year ago	1990	1990
Gold per troy oz.	\$367.50	-6.25	\$371.75	\$420.25	\$345.75
Silver Per troy oz	265.25p	-2.70	320.75p	323.50p	264.55p
Aluminium 99.7% (cash)	\$1672	+ 116	\$1744	\$1672	\$1380.0
Copper Grade A (cash)	£1567.5	+74.5	£1547	£1747.5	£1304.5
Lead(cash)	£457.0	-11.5	£427	2790	£413
Nickel (cash)	<b>\$9500</b>	-500	\$12050	\$10225	\$6075
Zinc SHG (cash)	\$1562.5	-10	\$1697.5	\$1869	\$1250
Tin (cash)	\$6060	+20	£9562.5	\$7020	\$5945
Cocoa Futures (Sep)	£775	+20	£874	£967	2822
Coffee Futures (Sep)	£558	-2	€820	2757	£553
Sugar (LDP Rew)	\$286.8	+0.4	\$357	\$386.4	\$279.90
Barley Futures (Nov)	£115.50	+ 1.20	£107.30	£116.45	£108.45
Wheat Futures (Nov)	£116.80	+1.65	2108.60	£123.45	£111.00
Cotton Outlook A Index	90.55c	-0.05	83.90c	92.70c	73.70c
Wool (64s Super)	458p	-16	603p	580p	458p
Oil (Brent Blend)	\$19.525y	+0.778	317.91	\$21.975	\$15,575

#### **London Markets** SPOT MARKETS Crude oil (per barrel FOB) + or -\$17.05-7.18y +.175 \$19.50-9.55y +.176 \$20.32-0.34y -0.10 Dubal **Brent Blend** W.T.I. (1 pm est) Oil products (NWE prompt delivery per tonne CIF) Premium Gesqline \$261-263 \$179-180 Gas Oll **\$74-77** Heavy Fuel Oil \$165-167 Naphtha Petroleum Argus Estimates + or --1.00 Gold (per troy oz)4 Silver (per troy oz)-Platinum (per troy oz) \$475.50 +0.25Palladium (per troy oz) \$117.25 +70 Aluminium (free market) Copper (US Producer) Lead (US Producer) 4350 Nickel (free market) Tin (Kusia Lumpur market) 16.02r Tin (New York) Cattle (live weight)1 Sheep (dead weight) 144,170 -8.17° Pigs (live weight)† 80.41p -3.49 London daily sugar (raw) \$286.6z London daily sugar (white) \$375.02 +1.5 Tate and Lyle export price £268.0 -3.5 Barley (English feed) Maize (US No. 3 yellow) Wheat (US Dark Northern) Ling. -0.25 Rubber (Sep)♥ Rubber (Oct)♥ -0.25 52.50p Rubber (KL RSS No 1 Aug) 284.5m +0.5Coconut oil (Philippines)5 \$277.5W Palm Oli (Malaysian)& \$200.0y Coors (Philippines)\$ 2150 . Soyabeans (US)

© a tonno unicea otherwise stated, p-pence/ka. e-cents/lb. r-ringgit/kg. q-Sep/Oct. t-Jul/Aug. u-Oct/Dec v-Jun/Jul. w-Aug z-Aug/Sep y-Sep. iMest Commission average fatatock prices. change from a week ago. \PLendon physical market 9CIF Rotterdam. 💠 Buillon market close, m-Majaysian cents/kg.

Cotton "A" index Wooltops (64s Super) 90.55c

	- Lond		(\$ per to
Raw	Close	Previous	High/Low
Aug	257,40	254.20	257.20 255.00
Oct	258.60	254.20	257.00 254.00
Dec	268.00	264.80	255.00 250.00
Mar May	248.60 247.20	244.20 244.60	246.80 244.60 247.00 244.80
Aug	245.50	245.60	245.80
Oct	246.00	243.80	244.40
White	Close	Previous	High/Low
Oct	321.2	316.0	321.0 318.5
Dec	314.5	310.0	313.0 312.5
Mar	314.0	310.0	314.0 311.0
May Aug	315.5 318.0	312.0 316.0	314.5 318.0
Oct	309.0	307.0	
			ts of 50 tonnes.
White 5	56 (446)	oe (evez)ici	a OT 3U 13711146.
Parle- V	Vhite (FFr	per tonnel:	Oct 1730, Dec
Mar 17	16, May 17	730, Aug 17	745
CRUDI	CEL - E	7	\$/b
			4.5
	Lates	t Previo	
Seo			us High/Low
	19.50 19.75	19.26	us High/Low 19.70 19.37
Oct	19.50	19.26 19.45	19.70 19.37 19.92 19.47 20.05 19.56
Oct Nov Dec	19.50 19.75 19.86 18.89	19.26 19.45 19.66 19.75	19.70 19.37 19.92 19.47 20.05 19.56
Oct Nov Dec	19.50 19.75 19.86 18.89	19.26 19.45 19.66 19.75	19.70 19.37 19.92 19.47 20.05 19.56
Oct Nov Dec IPË Ind	19.50 19.75 19.86 18.89	19.26 19.45 19.66 19.75 19.81	19.70 19.37 19.92 19.47 20.05 19.56
Oct Nov Dec IPE Ind Turnove	19.50 19.75 19.86 18.89 6x 19.14	19.26 19.45 19.66 19.75 19.81	19.70 19.37 19.92 19.47 20.05 19.56 20.05 18.81
Oct Nov Dec IPE Ind Turnove	19.50 19.75 19.86 18.89 5x 19.14	19.26 19.45 19.66 19.75 19.81	19.70 19.37 19.92 19.47 20.05 19.56 20.05 18.81
Oct Nov Dec IPE Ind Turnove CAS CI	19.50 19.75 19.86 18.89 5x 19.14 9r: 6265 (9 L. — EPE Latest 179.00	19.26 19.45 19.66 19.75 19.61 197) Previous	19.70 19.37 19.92 19.47 20.05 19.65 20.05 19.81 \$/6 High/Low 179.75 176.00
Oct Nov Dec IPE Ind Turnove DAS Of Sep	19.50 19.75 19.86 18.89 6x 19.14 9r: 6265 (9 L. — JPE Latest 179.00 179.50	19.26 19.45 19.66 19.75 19.61 197) Previous 175.00	19.70 19.37 19.92 19.47 20.05 18.65 20.05 18.81 \$/6 High/Low 179.75 176.00 179.75 176.00
Oct Nov Dec IPE Ind Turnove DAS CI Sep Oct	19.50 19.75 19.86 18.89 8x 19.14 9r: 6265 (9 L. — EPE Latent 179.00 179.50 180.75	19.26 19.45 19.65 19.75 19.61 197) Previous 175.00 176.25	19.70 19.37 19.92 19.47 20.05 19.55 20.05 18.81 \$/6 High/Low 179.75 176.00 179.75 176.00 181.25 178.00
Oct Nov Dec IPE Ind Turnove GAS CI Sep Oct Nov	19.50 19.75 19.86 18.89 5x 19.14 3r: 6265 (9 1 aper Latent 179.00 179.50 180.75 181.50	19.26 19.45 19.65 19.75 19.61 197) Previous 175.00 176.25 178.00	19.70 19.37 19.92 19.47 20.05 19.56 20.05 18.81 \$/6 High/Low 179.75 176.00 179.75 176.00 181.25 178.00 182.00 180.00
Oct Nov Dec IPE Ind Turnove CAS CI Sep Oct Nov Oct	19.50 19.75 19.88 18.89 5x 19.14 9r: 6265 (9 L - EPE Lanest 179.00 179.50 180.75 181.50 183.50	19.26 19.45 19.66 19.75 19.61 197) Previous 175.00 176.25 178.00 176.25	19.70 19.37 19.70 19.37 19.92 19.47 20.05 18.65 20.05 18.81 4/8 High/Low 179.75 176.00 179.75 176.00 181.25 178.00 182.00 180.00 183.75 181.25
Oct Nov Dec IPE Ind Turnove GAS Of Sep Oct Nov Dec Sen	19.50 19.75 19.88 18.89 sx 19.14 er: 6265 (9 L - SPE Latest 179.00 179.50 180.75 181.50 183.50 183.00	19.26 19.45 19.66 19.75 19.81 197) Previous 175.00 176.25 178.00 179.50 179.50	19.70 19.37 19.70 19.37 19.92 19.47 20.05 18.66 20.05 18.81 \$/6 High/Low 179.75 176.00 181.25 176.00 182.00 180.00 183.75 181.25 183.00 179.50
Oct Nov Dec IPE Ind Turnove GAS Of Sep Oct Nov Dec Sep	19.50 19.75 19.86 18.89 6x 19.14 9r: 6265 (9 L. — SPE Latent 179.00 179.50 180.75 181.50 183.50 183.00 178.00	19.26 19.45 19.66 19.75 19.81 197) Previous 175.00 176.25 178.00 178.50 178.00 176.00	19.70 19.37 19.70 19.37 19.92 19.47 20.05 19.56 20.05 18.81 \$/6 High/Low 179.75 176.00 179.75 176.00 181.25 178.00 182.00 180.00 183.75 181.25 183.00 179.50 179.00 178.50
Oct Nov Dec IPE Ind Turnove GAS Of Sep Oct Nov Dec Sen Feb Mar	19.50 19.75 19.86 18.89 5x 19.14 3r: 8265 (9 1 EPE Latest 179.00 179.50 183.50 183.00 178.00 171.00	19.26 19.45 19.65 19.75 19.61 197) Previous 175.00 176.25 178.00 178.50 178.00 176.00 168.75	19.70 19.37 19.92 19.47 20.05 19.56 20.05 18.81 20.05 18.81 179.75 176.00 179.75 176.00 183.75 181.25 183.00 179.50 179.00 178.50 179.00 178.50
Oct Nov Dec IPE Ind Turnove GAS Of Sep Oct Nov Dec Sen Feb Mar	19.50 19.75 19.88 18.89 sx 19.14 er: 6265 (9 L. — EPE Latent 179.00 179.50 180.75 181.50 183.50 183.00 178.00 171.00	19.26 19.45 19.66 19.75 19.81 197) Previous 175.00 176.25 178.00 178.50 178.00 178.00 168.75 165.00	19.70 19.37 19.92 19.47 20.05 19.56 20.05 19.81 20.05 19.81 179.75 176.00 179.75 176.00 181.25 178.00 182.00 160.00 183.75 181.25 183.00 179.50 179.00 179.50 179.00 179.50
Oct Nov Dec IPE Ind Turnove GAS Of Sep Oct Nov Dec Sen Feb Mar	19.50 19.75 19.88 18.89 sx 19.14 er: 6265 (9 L. — EPE Latent 179.00 179.50 180.75 181.50 183.50 183.00 178.00 171.00	19.26 19.45 19.65 19.75 19.61 197) Previous 175.00 176.25 178.00 178.50 178.00 176.00 168.75	19.70 19.37 19.92 19.47 20.05 19.56 20.05 19.81 20.05 19.81 179.75 176.00 179.75 176.00 181.25 178.00 182.00 160.00 183.75 181.25 183.00 179.50 179.00 179.50 179.00 179.50
Aug Sep Oct Nev Dec Jen Feb Mar	19.50 19.75 19.88 18.89 sx 19.14 er: 6265 (9 L. — EPE Latent 179.00 179.50 180.75 181.50 183.50 183.00 178.00 171.00	19.26 19.45 19.66 19.75 19.81 197) Previous 175.00 176.25 178.00 178.50 178.00 178.00 168.75 165.00	19.70 19.37 19.70 19.37 19.92 19.47 20.05 18.56 20.05 18.81 20.05 18.81 179.75 176.00 179.75 176.00 181.25 178.00 182.00 160.00 183.75 181.25 183.00 179.50 178.00 178.50 178.00 170.00

	SPICES
4	Unrealistic price differences between white
	and black pepper have been partly
	corrected over the past formight, reports
	Man-production. White pepper prices started
	to climb some 10 per cent from the low of
	US\$1,475 to \$1,625 a torre cit. prompt
- 1	shipment from origin on shortcovering and
	speculative activity in Indonesia, at present
	the dominant supplier. European spice
1	Industry welcomes recovery but has not
ı	shown much buying support. Black papper
1	prices suffered from heavier setting
J	pressure from all imajor origins and prices
1	declined, Both Sarawek and Brazil are
	offering at about \$1,400 oil prompt dhipment.

Jul .			
	770	757	769 759
Sop	775	771	786 770
Dec	000	803	818 796
Mar	823	830	842 818
May . Jul	845 863	850 868	867 846 878 873
Jul Sep	882	888	896 881
Turnove ICCO Ir	rdicator p	orices (SDF	f 10 tonnes is per tonne). Dali 1.48) 10 day averag
or Jul	27 991.81	(988.91)	IO GOY EVOICE
COFFE	Z – Lon	don POX	2/tonn
	Close	Previous	High/Low
Jul	539	538	549 538
<b>Зер</b>	558	557 577	570 555 500 578
Nov Jan	578 . 569	5/7 598	590 578 610 596
Mar	618	616	628 617
May	634	635	647 634
Seal	653	654	653
CO Ind	er: 2270 (: Restor pr	2566) lots o ices (US c	f 5 tonnes ents per pound) k
July 26:		laily 69.32 (	68.29). 15 day ave
POTAT	ORS - 1	FIE ·	£/tonn
	Close	Previous	
Apr	125.5	122.6	127.0 122.0
May	137.0	132.5	135.0 136.5
Urnove	er 315 (15	1) lots of 4	) tonnas.
POYAT	EAN ME	AL - SPR	£/tonn
POYAT	Close	Previous	£/tonn High/Low
Oct	Close 110.00	Previous	High/Low 110.00
Oct Turnove	Close 110.00 or 20 (27)	Previous 108.50	High/Low 110,00 Ignnes.
Oct Turnove	Close 110.00 or 20 (27)	Previous 108.50 lots of 20	High/Low 110,00 Ionnes.
Oct Furnove FRENCH	Close 110.00 or 20 (27) or FUTUR Close 1148	Previous 108.50 lots of 20 s	High/Low 110.00 comes.  L \$10/index poin High/Low 1150
Oct Furnove FRENCH	Close 110.00 or 20 (27) ff FUTU Close 1148 1152	Previous 108.50 lots of 20 s RES - BPI Previous	High/Low 110,00 comes. E \$10/index poin High/Low 1150 1170 1158
Oct Turnove FREIGH Kul Aug	Close 110.00 or 20 (27) or FUTU Close 1148 1152 1265	Previous 108.50 lots of 20 s RES - EFF Previous 1148	High/Low 110.00 tonnes. L \$10/index poin High/Low 1150 1170 1158 1268 1253
Cet France France Rul Aug	Close 110.00 or 20 (27) or FUTUR Close 1148 1152 1255 1275	Previous 108.50 lots of 20 s Previous 1148 1175 1275 1290	High/Low 110.00 comes. 2 \$10/Index poin High/Low 1750 1170 1158 1268 1253 1275
Cet Furnove FileRol Aug Cet Jan Apr	Close 110.00 or 20 (27) or FUTUR Close 1148 1152 1265 1275 1290	Previous 108.50 lots of 20 s Previous 1148 1175 1275 1290 1295	High/Low 110.00 tonnes. L \$10/index poin High/Low 1150 1170 1158 1268 1253
Cet Furnove FileNot Aug Oct Jan Apr BF1	Close 110.00 or 20 (27) or FUTUR Close 1148 1152 1255 1275	Previous 108.50 lots of 20 s Previous 1148 1175 1275 1290 1285 1150	High/Low 110.00 comes. 2 \$10/Index poin High/Low 1750 1170 1158 1268 1253 1275
Cet Turnove FRENDA Aug Oct Jan Apr BFI Turnove	Close 110.00 at 20 (27) ff FUTU Close 1148 1152 1265 1275 1290 1157 at 140 (14	Previous 108.50 lots of 20 s Previous 1148 1175 1275 1290 1285 1150	High/Low 110.00 comes. 2 \$10/index poin Nigh/Low 1150 1170 1158 1268 1253 1275 1290
Cet Turnove FRENDA Aug Oct Jan Apr BFI Turnove	Close 110.00 r 20 (27) r FUTUR Close 1148 1152 1265 1275 1290 1157 r 140 (14	Previous 108.50 lots of 20 s Previous 1148 1175 1275 1290 1295 1150	High/Low 110.00 comes. E \$10/index poin High/Low 1150 1170 1156 1268 1253 1275 1290
Cet Turnove FRENCH Aug Oct Jan Apr BFJ Turnove	Close 110.00 r 20 (27) r 20 (27) r FUTUR Close 1148 1152 1265 1275 1290 1157 r 140 (14	Previous 108.50 lots of 20 s  RES - EPI Previous 1148 1175 1275 1290 1295 1150 1)	High/Low 110.00 comes. E \$10/index poin High/Low 1150 1170 1156 1268 1253 1275 1290
Cet Furnove FileNot Aug Oct Jan Apr SFI Furnove FileNot Sop	Close 110.00 r 20 (27) r FUTUR Close 1148 1152 1265 1275 1290 1157 r 140 (14	Previous 108.50 lots of 20 (108.50) Previous 1148 1175 1275 1290 1285 1150 1)	High/Low 110.00 comes.  2 \$10/index point High/Low 1150 1170 1158 1268 1253 1275 1290  2/tono High/Low 112.75 112.35
Cet Furnove Filenal Aug Oct Jan Apr SFI Furnove Sep Vov	Close 110.00 r 20 (27) r FUTUR Close 1148 1152 1255 1290 1157 r 140 (14	Previous 108.50 lots of 20 s  RES - BP1 Previous 1148 1175 1275 1290 1285 1150 1)  Previous 112.65 178.50	High/Low 110.00 comes. E \$10/index poin High/Low 1150 1170 1156 1268 1253 1275 1290
Cet Furnove File Aug Oct Jan Apr SFI Furnove File Formove Inn	Close 110.00 r 20 (27) r 20 (27) r 148 1152 1265 1275 1290 1157 r 140 (14 8 - 8FE Close 112.75 116.80 120.80	Previous  108.50  lots of 20 s  RES - EPI  Previous  1148 1175 1275 1290 1295 1150 1)  Previous  112.65 118.60 120.60	High/Low 110.00 tonnes.  2 \$10/Index point High/Low 1150 1170 1158 1268 1253 1275 1290  2/tonn High/Low 112.75 112.35 116.80 116.50
Cet Furnove File Aug Cet Jan Apr SFI Furnove Sep Vov Jan Var	Close 110.00 r 20 (27) r 20 (27) r FUTUR Close 1148 1152 1265 1275 1290 1157 r 140 (14 8 - 8FE Close 112.75 116.80 120.80 124.10	Previous 108.50 lots of 20 (108.50) Previous 1148 1175 1275 1290 1285 1150 1) Previous 112.65 118.60 120.80 123.86	High/Low 110.00 comes.  2 \$10/index point High/Low 1150 1170 1158 1268 1253 1275 1290  2/tono High/Low 112.75 112.35
Cet Furnove File Aug Oct Jan Apr SFI Furnove Mean Mar May	Close 110.00 r 20 (27) r 20 (27) r FUTUR Close 1148 1152 1265 1275 1290 1157 r 140 (14 8 - 8FE Close 112.75 116.80 120.80 124.10 127.35	Previous  108.50  lots of 20 s  RES - SPI  Previous  1148 1175 1276 1290 1296 1150 1)  Previous  112.65 118.50 120.80 123.86 127.25	High/Low 110.00 comes.  2 \$10/index point High/Low 1150 1170 1158 1268 1253 1275 1290  2/tonn High/Low 112.75 112.35 116.80 116.50 123.85 123.60
Cet Furnove FileNot Aug Oct Jan Apr BFI Furnove Sep Nov Jan Mar Mey	Close 110.00 r 20 (27) r 20 (27) r FUTUR Close 1148 1152 1265 1275 1290 1157 r 140 (14 8 - 8FE Close 112.75 116.80 120.80 124.10	Previous 108.50 lots of 20 (108.50) Previous 1148 1175 1275 1290 1285 1150 1) Previous 112.65 118.60 120.80 123.86	High/Low 110.00 tonnes.  2 \$10/Index point High/Low 1150 1170 1158 1268 1253 1275 1290  2/tonn High/Low 112.75 112.35 116.80 116.50
Cet Furnove Filenal Aug Oct Jan Apr SF) Furnove Sep Var Var Var Var Var Var Var Var Var	Close 110.00 120 (27) 17 FUTUR Close 1148 1152 1265 1275 1290 1157 140 (14 12.75 116.80 120.80 124.10 127.35 Close 111.36	Previous 108.50 lots of 20 s  RES - BP1  Previous 1148 1175 1275 1290 1285 1150 1)  Previous 112.65 178.60 120.80 123.86 127.25  Previous 711.50	High/Low  110.00  101008.  210/Index poin  High/Low  1150 1170 1158 1268 1253 1275 1290  2/tono  High/Low  112.75 112.35 116.80 116.50 123.85 123.60  High/Low  111.30 111.25
Cet Furnove Filenal Aug Oct Jan Apr SF) Furnove Mar May Mar May May May May May May May	Close 110.00 120 (27) 1148 1152 1265 1275 1290 1157 140 (14 12.75 116.80 124.10 127.35 Close 111.35 115.50	Previous 108.50 lots of 20 s  RES - BP1  Previous 1148 1175 1275 1296 1150 1)  Previous 112.63 118.60 120.80 123.86 127.25  Previous 111.50 115.66	High/Low 110.00 101000. 1150 1170 1158 1268 1253 1276 1290  2/tono High/Low 112.76 112.35 116.80 118.50 123.85 123.60  High/Low 111.30 111.25 115.55 115.40
Cet  Curnove   Close 110.00 120 (27) 1148 1152 1266 1275 1290 1157 140 (14 12.75 116.80 120.80 127.35 Close 111.36 115.50 119.05	Previous  108.50  lots of 20 s  RES - EPI  Previous  1148 1175 1275 1290 1295 1150 1)  Previous  112.65 118.60 120.80 123.86 127.25  Previous  711.50 115.65 119.15	High/Low  110.00  101000  1150 1170 1156 1268 1253 1275 1290  Eftono  High/Low  112.75 112.35 116.80 116.50  123.85 123.60  High/Low  111.30 111.25 115.55 115.40 179.10 118.75	
Cet Curnove Cu	Close 110.00 120 (27) 1148 1152 1265 1275 1290 1157 140 (14 12.75 116.80 124.10 127.35 Close 111.35 115.50 119.05 122.05	Previous 108.50 lots of 20 s  RES - EFS  Previous 1148 1175 1275 1290 1285 1150 1)  Previous 112.65 118.60 120.80 123.95 127.25  Previous 111.50 115.65 119.15 122.15	High/Low 110.00 101000. 1150 1170 1158 1268 1253 1276 1290  2/tono High/Low 112.76 112.35 116.80 118.50 123.85 123.60  High/Low 111.30 111.25 115.55 115.40

(Cash Set

113.0

113.5

112,0

119.0

112.0

Turnover 5 (45) Into of 3.250 kg

786 770		1870-4	1597-			_
513 796 842 818		1693-5	1625	7	1707/163	0_
867 846		de A (£ per t				_
878 873		1565-70 1534-6	1546- 1521-	_	1575/158/ 1570/1517	
896 881	Land (£ per		1021		lorer 1912	_
of 10 tonnes Pos per tonne). Daily		458-8	459-6	4	482/462	_
9.48) 10 day average		182-8	466-6		473/482	
	Nictol (\$ per	tonne)				_
	Cash !	9475-525	9525	75	9460/9425	5
2/tonne	3 months	9415-25	9450-		9500/9375	
High/Low	Tin (\$ per to	nne)				
549 538		6055-65 5175-80	6190-		6065/6066 6180/6170	
570 555		High Grade			0100017	_
590 578 610 598		1580-6			1883/1583	_
628 617		1521-4	1582-1 1543-1		1547/1520	
647 634 653	LINE Closing	E/S rate:	_			
	SPOT: 1.8355	· · · · · · · · · · · · · · · · · · ·	3 mon	hs: 1.8	050	
of 5 tonnes rents per pound) for	100000	ULLION MAI				
(68.29). 15 day aver-						
	Gold (fine oz			ednivs	_	
£/tonne	Close Opening	387 4 -367 4 388 4 -369 4		03-203 <u>/</u> 03-14-50		
	Morning fix	368.50	2	02.328	2	
High/Low	Alternoon fix Day's high	366.75 370-3701 <sub>2</sub>	2	00.005		,
127.0 122.0 138.0 138.5	Day's low	366 4-366 4				
O tonnes.	-					
o wires.						
ennos/2	Colos	P aster	_			•
High/Low		\$ price		equiva	lent	•
110.00	Mapi <del>cie</del> si Britannia	376-381 376-381		05-208 05-208		
tonnes.	US Eagle	378-381		15-208		i
	Angel	376-381		208-30		
	Krugerrand New Sov.	367-370 86-88		10-202 7-48		
E \$10/Index point	Old Sov.	86-88	47	7-48		
High/Low	Noble Plat	481.20-468.6	5 2	3.40-26	17.5S	
1150						
1170 1156 1268 1253						•
1275						
1290	Silver IIx	p/fine az	U	S ets e	quiv	
	Spot	265.25	48	3.65		i
	3 months	275.20	45	3.55		•
	6 months 12 months	285.30 305.90		13.90 24.10		
2/tonne	12 months	303.90	24	(4. 1U		•
High/Low						
112.75 112.35						1
116.80 116.50						1
	TRADED OFT	TORS				i
123.85 123.60	Cottee	Sep	Nov	Sep	Nov	•
111-1-1-1	600	58	87	2	9	1
High/Low	550	21	53	15	25	
111.30 111.25 115.55 115.40	600	4	29	48	51	
179.10 118.75	Cocca	Sep	Dec	Sep	Dec	_
122.05 122.00	760	40	86	15	36	i
Berley 162 (318).	800	16	60	41	60	-
•	<b>850</b>	5	42	80	92	
						,
ash Settlement) p/kg						8 0
High/Low						N
111.5	Brent Crude	Sep	Oct	Bee	Ore.	C
	1900			Sop	Oct	J
	1960	73 29	107		67	A
) kg	2000	30	44		-	A

_						-				<u> </u>
(	Prices	beliqque	by Amaiga		tal Trading)	CRUC	DE OUT (LI	ght) 42,000	US galls \$/	barrel
<u> </u>	Al	M Official	Kerb d	osa Op	en Interest		Latest	Previous	High/Lov	•
			Total dail	y turnover	25,454 loss	Sep	20.36	20.30	20.50	20.26
_		80-5				Oct .	21.13	21.00	21.27	21.00
<u> </u>	17	00-5	1594-6		124 lots	Nov	21.52	21.31	21.62	21,40
			Total dal	y turnover	45,352 lots	Dec. Jan	21.72 21.66	21.44 21.42	21.75 21.73	21.55 21.53
5	_	74-5				Feb	21.64	21.40	21.65	21.50
<u>_</u>	15	39-40	1533-4	85,5	563 lote	Apr	21.53	21.38	21.70	21.40
			Total da	ily turnove	r 1,291 lots					•
		1-2				HEAT	NG OIL 4	2.000 US a	ils, cents/L	K colle
_	45	6-7	462-4		66 lots		Latest	Previous		
_			Total da	ly turnove	r 1,582 lots	-			High/Low	
5		00-25	A			Aug	6805 6810	5732 6851	5850	5760
_	93	75-400	9400-50		8 lots	Oct	6005	6942	5980 6050	5885 5980
_			Total d	ally turnor	rer 341 lots	Dec	6205	6136	6246	6165
		55-70 70-80	6175-80	614	1 lots	Feb	6130	6067	6150	6096
_										
_		3-4	TORN CA	NY WITHOUGH	r 2,932 lots	COCO	A 10 tonn	es;\$/tonnes	1	
;		11-2	1526-7	18,8	36 Lots		Close	Previous	High/Low	
_						Sep	1291	1275 .	1307	1286
	6 m	onths: 1.77	907	9 mor	Wha: 1.7577	Dec	1331	1813	1342	1325
						Mar May	1368 1387	1850 1374	1380	1382
	Ne	WY	ork			Jul	1408	1301	1403	1388 1418
			<b>411</b>			Sep	1428	1413	1444	0
	COLD	100 troy	IZ.; \$/troy (	)Z.		Dec	1458	1443	1475	1475
		Close	Previous	High/Lov	,					
	Jul	367.8	369.3	0	0	COFFE	E "C" 37,	500ths; cen	ts/iba	
	Aug	368.0	369.5	370.8	365.8		Close	<b>Previous</b>	High/Low	
	Sep	360.9	371.5	372.0	372.0	Зер	91.75	90.85	91.90	89.95
	Oct Dec	372.2 376.6	373.8 378.3	374.7 379.6	309.8 374.5	Dec	95, 16	94.50	95.45	99.75
	Feb	380.9	382.7	382.0	378.5	Mar May	97.80	97.50	98.50	97.00
	Apr	385.0	386.9	387.0	383.5	Jul	98.65 100.40	99.25 101.00	0 102.00	99.26
	Jun	389.4	391.4	0	<u> </u>	Sep	102.65	103.25	102.75	0 102.25
	Aug	398.6	<b>395.7</b>	Q	0	Dec	105.00	105.76	105.00	105.00
						SUGAI	WORLD	"11" 112,0	10 lbe; cent	e/lbe
	PLAIR	erver ph ft.	oy 02; \$/tro	79 02.			Close	Previous	High/Low	
		Close	Previous	High/Low	,	Oct	17,38	11.37		40.00
	Aug	474.2	477.3	0	0	Mer	11.05	11.03	11.45 11.11	11.37
	Oct	479.9	481.4	463.5	478.5	May	11.05	11.05	11.13	11.02
	Jan Apr	485.3 490.7	486.8 482.2	489.5	467.0	Oct	11.07 11.04	11.04	11.11	11.06
	Jul	496.1	497.6	495.0 Q	490.0 0		11.00	11.05	11.06	11.05
				•	·	COTTO	W 20 000			
						4111		cents/ibs		
				_			Close	Previous	High/Low	
	SILVE	R 5,000 tro	y ez; cent	Vtroy oz.		Oct	77.38	77.70	77.75	77.25
		Close	Previous	High/Lou		Dec	73.38	73.71	73.75	73.15
	To all					May	74.25 74.80	74.58 74.98	74.60	74.10
	Jid Aug	483.1 463.2	485.0 485.2	485.0	480.0	Jul	74.19	74.90	74.55 74.37	74.51
	Sop	487.0	489.0	0 489,4	0 483.0	Oat	69.95	69.65	70.20	74.37 70.20
	Dec	497.7	499.9	500.0	493.5	Dec	68.00	67.66	68.00	67.90
	Jen	500.3	502.8	0	0					
	Mar May	507.9 514.8	510.2 517.0	511.5	506.0	ORAN	GE JUICE	15,000 lbs	conte/the	
	Jul	521.8	523.9	514.0 521.0	518.0 618.5		Close			
	Sep	529.3	531.3	0	0	San		Previous	High/Low	
	Dec	540.4	542.3	541.5	641.6	Sep Nov	174.40 164.95	178.20	177.60	174,25
						Jan	180.45	166.60	167.20 161.50	164.10
						Mar	160.05	162.05	160,50	160.00
				•		May	159.55	161.65	0	0
1	HIGH (	RADE CO	PPER 25,0	QO lbs; cen	to/lbs	301	159.55	151.66	0	. 0
•		Close	Provious	High/Low		17900	CEN			
	kul	125.80	125.50	130.50	125.80			eri 0		<u></u>
	Aug	126.70	124.15	127.70	125.90		(0		per 18 1931	= 100)
	Sep	125.90	122.90	126.60	124.60	ļ	Jul 27	Jul 28	minth ago	ут аст
	Oct You	123.70 121.65	120.95	123,80	122.70	<u>.</u>	1805.6		19604	1022 1
	Dec	118.80	118.65 115.80	121.10 119.20	120.80 117.75	DOW	JONES I	ese: Den	31 1974	
	<b>len</b>	117.00	114.00	116.70	115.30	1-	Jul 26	Jul 25		
	Apr Apr	113.10 111.45	110.10 109.45	113.00	112.50	Spot	132.81		minth ago	YT AGE
	ABY	109,80	100.80	111.30 109.40	111.30 106.00	Fugue	58 132.26	132.30	192.67	180.93
	•				140.00			181.61	182.46	129.07

	<b>UI</b>	ncag	10		
_	SOY	LEEANS 6	,000 bu min;	cents/60lb	bushet
5 0		Close	Previous	High/Lo	
D 5	Aug	584/4	692/4	594/6	582/0
3	Sep	589/2 599/4	598/2 609/2	600/0 611/0	586/8 . 596/0
0	Jan	610/4	620/4	621/4	607/4
•	May	621/2 625/2	632/0 639/4	633/4	619/4
-	Jul	634/0	645/4	640/0 648/0	626/0 632/0
	Aug	631/4	635/0	635/0	631/0
_	. 90Y/	BEAN OIL	60,000 lbs; d	cents/lb	
		Close	Previous	High/Lo	w .
	Aug Sep	23.81 25.83	23.79 25.79	24.01 24.05	23.69 23.74
	Oct	23.86	23.92	24,10	23.80
_	Dec Jan	23.86 23.85	23.67 23.92	24.07 24.10	23.76 23.88
	Mar	28.85	23.05	24.22	23.85
_	May Jul	23.86 23.90	23.96 23.95	24.20 24.15	23.86 23.90
	SOYA	BEAN ME	AL 100 tons;		
		Close	Previous	High/Lo	w
	Aug	166.1	171.1	171.5	167.4
	Sep	169.6 170.5	172.9 · 174.1	178.0 174.2	169.6 170.0
	Dec	173.9	177.5	177.9	173.2
	Jan Mar	174.7 178.0	178.7 181.5	179.0 180.5	174.7 177.0
	May	178.8	182.0	181.5	178.5
	Jul	181.0	188.0	182.5	181.0 -
	MAR		min; cents/6	6th bushel	
		Ciose	Previous	High/Lov	N .
5	Sep	262/4 258/4	263/4	266/0	261/2
1	Mar	263/2	265/6	260/0 268/6	255/6 262/8
_	May	269/2 271/4	271/0	272/4	288/0
_	Sep	265/0	273/2 265/4	275/4 267 <i>1</i> 0	271/0 265/B
	Dec	260/0	261/0	262/4	261/0
	WHEA	T 5,000 bu	min; cents/6	Oib-bushe	1.
		Close	Previous	High/Lov	
	Sep	298/4	301/6	304/4	298/2
	Dec	315/2 323/6	318/2	320/6	315/0
	May	322/4	326/4 325/0	329/0	323/4 322/4
	Jul Sep	319/2 323/6	321/4	325/0	319/2
			326/0	0	0
	745 C		000 lbs; cent		
		Close	Previous	High/Low	1
	Aug	77.96 78.37	77.65 78.47	78.02	77.52
	Dec	77.15	77.37	78.60 77.47	78.15 77.10
	Feb Apr	76.66 77.05	76.77 77.19	76,97	76.50
	Jun	74.50	74.55	77.25 74.60	77.00 74.45
	Aug	72.80	78.02	73.15	72.80
5 D	LIVE H		00 lb; cents/0		
0	Aur	Close	Previous	High/Low	
0	Aug	60.12 63.42	60.12 63.57	50.25 50.55	69.62
	Dec	52.17	51.82	53.55 52.27	52.80 51.32
_,	Feb Apr	49.80 · 45.40	49.45 45.27	49,55	48.90
_1	dun	50.30	50,05	46.60 50.40	48.05 49.90
)	Jul	. 50.70 :	50.40	50.70	50_15
의			46.75	49.00	48.55
	PORK		10,000 that co	nta/ib	
	-			High/Low	
	Peb ·	49.72 54.07	46.B5	50.10	48.50
_	Mar	58.95	54.35 54.12	54.85 54.25	58.46
					53.30
3	May July	- 83.80	54.40 -54.50	54.00	- 55.78

MONEY MARKET FUNDS

Gartmore Money Management Ltd 2-3 White Hart Yard, Loedon SE3 1MX 071-236 1425 Money Mitgl. Acct. .... (14 00 10 92 15 1713-Mes

**Money Market** 

# orris ma CURRENCIES, MONEY AND CAPITAL MARKETS e term.

#### FOREIGN EXCHANGES

# Dollar down, but pound rises

THE DOLLAR weakened on disappointment at lower than expected growth in US Gross National Product. Second quarter GNP grew at a rate of 1.2 per cent, against a downward revision to 1.7 per cent in the first quarter. Analysts expected second quarter growth to be around 1.6 per cent, and the disappointing figure led to selldisappointing figure led to selling of the dollar against all major currencies.

At the London close the dollar was hovering around a technical support level against the Japanese yen, finishing at Y149.60, compared with Y150.45 on Thursday. The US currency also fell to DM1.6145 from DM1.6225; to SF11.3680 from SFr1.2770; and to FFr5.4075. SFr1.3770; and to FFr5.4075 from FFr5.4350. According to the Bank of England the dollar's index declined to 65.1

Sterling moved up sharply, gaining momentum from one large buying order against the D-Mark, estimated at around DM500m. Dealers said the bulk

from 65.4.

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214		W YO	
July 27	l.Mc	*	Previous Close
Spot 1 morth 3 morth 12 months	1 8375-1 1 04-1 1 01-2 9 97-9	98am	145-1 8155 1 05-1 (1300 1 04-5 01pm 1 04-9 94om
ST1		Ca IND	

ganisa	10.00 at 11.00 at Moon 1.00 p 2.00 p 3.00 p		95.4 93.5 93.6 93.7 93.7 93.7 93.9	93.0 93.0 93.0 93.0 93.1 93.1
0.00	cu	rren	CY RA	TES
	Sely 27	Bunk	Special* Organing Rights	European I Correctly Unit
	Sterfing	10 5 4 00 7 00 10 1 13 5 13 5 10 00 20 1 20 1	0.745065 1.34746 1.34746 1.55159 15.4094 45.0419 8.33263 2.18853 2.46516 7.33080 1601.55 202.118 8.44312 1.34.086 7.97151 1.85611 H/A	0.648911 1.27516 1.46975 -14.5483 42.5777 7.87349 2.06768 2.33074 6.93242 1514 13 192.103 7.96658 127.019 7.52856 1.74889 202.700 0.770957
	* All SDR 126			

CURRENCY MOVEMENTS Morgas<sup>an</sup> Estaranty Changes % July 27

Morgan Guaranty changes: average 1980– 1982–100. Bank of England Index (Base Average 1985–1000-Rates are for July 26. OTHER CURRENCIES er dense inge 

FORWARD RATES AGAINST STERLING Spot. 1 3 6 12 mths miles entire 1 6345 1 8341 1 8041 1 7768 1 7355 2 9625 2 9459 2 9147 2 8736 2 8134 9 9200 9 8790 9 7995 9 6956 9 5575 2 5100 2 4979 2 4743 2 4418 2 3843 274 50 272 81 269 70 265 55 259 02 of the order was fulfilled by selling D-Marks against dollars, which were then exchanged for pounds. Trading was thin, exaggerating the impact of the order. No fresh economic factors have emerged since the UK trade figures on Monday, but high London interest rates remain attractive at a time when nervousness surrounds several currencies,

including the D-Mnrk.
Sterling gained 2 piennigs to
DM2.9625, it also rose 2.10 cents to \$1.8345, while climbing to FFr9.9200 from FFr9.8575; to SFr2.5100 from SFr2.4975; and to Y274.50 from Y272.75. On Bank of England figures the pound's index rose 0.8 to 93.9. The Spanish peseta traded nervously. It remained around its ceiling against the weaker members of the European Monetary System, but lost some ground on speculation about a

possible cut in Spanish interest

rates. Towards the end of the

day the peseta recovered after

the Bank of Spain drained

liquidity from the domestic banking system to halt a slide in money market interest rates. Mr Pierre Beregovoy, French Finance Minister, has called on EMS countries with high yielding currencies, such as Spain, to cut rates and the Bundesbank has also suggested that this could be a way of deducing pressure on the system. The Bank of Spain is reluctant to oblige, because of high inflation.

At the Paris fixing the Span-ish currency fell to FFr5.4585 from FF75.4730 per 100 pesetas. but at the London close had rallied to FFr5.4675. In Frank-furt the peseta declined to DM1.6270 from DM1.6330 per 100, but finished at around DM1.6325 in London. The lira, another high yield-

ing EMS currency, weakened against the D-Mark and French franc, but dealers saw no evidence that this was a direct response to a crisis within the Italian coalition government.

												Dec Mar	93-14 93-09	43-27	7511	93-03 92-24
DOL	AR	SPOT	- F(	DRW	ARD	AG/	_					Estimate	d volume 20 day's open 1			
Jul 27		Day's spread		Close	1	One most	,	*	Ten		D L	Fitting	way s upice s	M. 3007	OLIGIF	
Kt Handi	165	5 - 1 8350 0 - 1 6620	1 66	40 - 1.83 10 - 1.66	10	1.05-1 03 0.37-0.32	<b>CPM</b> 2	80 49	1 06-	3 03pm   0.96pm	2.43	[		_		
nada etterlandi	1.814	6 - 1.1545 5 - 1.8510 5 - 33 45	1.82	20 - 1 151 20 - 1 821 25 - 33.25	5	0.50-0.52 0.01-0.03	colis -0	31	0.10	1.51ds   0.13db 7-12ds	-5 17 -0 25 -1.14	6% NOT	TOWAL GEN	Man Goy? of 188%	, BÓND	
igrom remark German	6.14	U <sub>2</sub> 6 18	6.15	6 - 6.15 40 - 1.41	6 1 0	.95-1 15a	redis  -2 nidis  -0	65	2.60	3_30dis 0.09dis	-1.98 -0.19	Sep	Close 84 74	High 84,78	Low 84,38	Pres B4 50
<b>가고마일하</b> 보하다	. 142.7 95.8	5-10-6	10	35 - 143 4 85 - 98.95	15	52.5	icits -4	3	165 154	-1956k -168dk	-5.02 -6.51	Dec	84.67	84.67	84.32	84 55 84 47
ly	6.2	- LIBB4	6.2	1 - 1182 11 - 6.24 11 - 5 41	1	.00-3.50th .50-1.750 0.79-0.86	redit -3	30	4.60	9,80dis 5 00dis 2 55dis	-3 18 -3 08 -1 81		day's open h day's open h			
anor reden	5 88	) - 5.44 b 5 - 151 05	5.89	5 - 5 891 5 - 149 6	1	91-2 96=	EE -4	.04 .56	6 15	6 50de 0.12am	429	6% NOT	TONAL LONG	TERM J	MANESE 6	OVT.
mile	11.35	5 - 11 42%	11.36	4 - 13 37 75 - 136	5	0 10-0 L	kdis -1	.01	0.30	1.80db 0.35dk	-0.44 -0.95		Close	High	Low	Pred
ti	rates to	0 - 1.2540 kgs towards	the end	of London	tradio	0 22-0,20 L 1 UK, II	viand an	ECV	are quali	0 65pm d la US	2 07 Corrency,	Sep Dec	92,79 93 01	92.80	92.53	93.05 93.27
reard pr	entine a	ed discounts	apply to	the US d	gilar ad	of not to t	be individ		rrency.				d volume 22 day's open t		9980	
POU	ND	SPOT	- F	DRW	ARE	AG	LINS	TI	HE	POU	ND					
Jd 27	T	Day's spread		Close	Т	One most		*	The		93.					
5		5 - 1.8350		<b>40 - 1 63</b>		1.05-1.03	com 6	80		3 03om	6.64	£560,60	MENTH STEE O points of 1	80°		
nada sheriandi Fighan	3.3	5 - 2 1155 2 - 3 34 5 30 - 61 15	3.33	45 - 2 115 15 - 3 34 15 - 61 1	<b>b</b>	0.30-0.23 13-15 32-23	com 6	.50 .51 .60	5%	0 760m -514 pm 8-780m	1.55 6.36 5.45	Sep	Ciase 85.32	High 85 32	سفا 85 29	Prev 85 27
remert .		5 - 11120	11.26	6 - 11 2 35 - 1 10	1	44-44-0	repro 4	72	134-	124 pm 1 09 pm	4.18	Dec Mar Jun	86 17 87 04 67.58	86 18 87.04	86.07 86.92	85.05 86.89
Graces	258.7	0 - 261 05	259	6 - 2 96 9 90 - 260	0	14-14	com 2	84 47	144	-4 5 pm -104pm	6.41 1.90	Sep	87 92 85.04	87.58 87 92 88.03	87 47 87 82 87.97	87.41 87.77 87.42
	2156	5 - 181 95 5 - 2171 4	21/	25 - 181 <u>:</u> 68 - 2169		1dig-1		1.60	20	12-2pm -18cpm	0 15 3.50	Mar	88.01 87.93	88.01 87 95	87.54 87.50	87.90 87.84
A 100	9.87	- 11 461 - 9 934	9 91	4 - 11 4 1, - 9 92	2	34-340	kpm   4	.99	124-	-94 pm 11 4 pm	3 52 4.81	Sep Dec	87 94 87.96	87.91 87.92	87.91 87.92	87 85 87 86 87 86
pas	. 273	4 - 10 824 4 - 2754	2	81 - 10 82 74 - 275	- 1	24-240	ypm 7	.77 .30	43	-6 4 pm	5.92 5.92	Mar	87 97 87 97	87.95	87.43	87.86 87.86
stria muertand U	249	2 - 20.85 5 - 2.515 10 - 1.4315	2.50	90 - 20.83 15 - 2.51 05 - 1.43	2	11 7-110 14-14 0.66-0 57	cpm 5	.68 91	34	31 4 pm -34 pm 1610m	6.23 5.68 4.57	Est. Vol.	(Inc. Figs. as	ot showa)	27241 (206	
morrelal	rates tal	ren towards 1											day's open is		1 0771371	
95-9.850	eri .												HOMEN EURA Has of 188%			
	94S	EURO	PE/	TH C	UR	RENC	Y UI	NIT	RAT	res		Sep	92.07	92 10	91.98	Pres. 92.00
		Eco		Curter	ets l	% cha		% d	hange p	Divers	ence	Dec Mar Jen	92.15 92.13 91.93	92.17 92.13 91.94	92.00 92.00	92.02 92.02 91.83
		rate	_	Jely :	Eau ?7	gent f			gence gence	line) i	%	Sep Dec	91.76 91.55	74,74	91.8L	91.67 91.46
igian Fran		42.1	679 645	42.5		+0.9		+0.		±15	508	Mar	91.45			91.37 91.26
rman Kron rman D-K esch Fran	lark	2.04	684 684	7.87 2.06 6 93	768	+1.1/	•	+0.	54 72	±11 ±13	762		floc. figs. no			
tch Gollde	BF	2.30	1358	2.33 0.770	074	+1.0	B	+0.	76	±1.5	272		tay's open in	- 4	336211	
liao Lira . unish Pest	-	152	9 70	1514 127	.13	-1.0	2	4	44	±1.5 ±4.2	162	THREE IS	only Entro	MARK		
		therefore par			25 A 145	ak garget		• .:				Sep	Close 91.70	High 91_72	1.67	Pres. 91.68
Littlerent. 1	;aiculater	by Figure	n Times.	•					-			Mar	91.57. 91.50	91.58 91.51	91.44	91.51 91.46
	EL	JRO-C	URF	RENC	YI	NTER	EST	R	TES			Jun Sep Dec	91.45 91.41 91.40	91.45 91.41 91.40	91.41 91.37 91.40	91.42 91.35 91.37
Jul 2	7	Short. Lerm	7	Days.	Ce Mon		Three Montin	Т	Str. Months		de SV	Mar	91.38 91.37	91.35 91.36	91.35 91.36	91.33 91.36
rling		15 - 143	15	- 14%	15 - 1 81		5 - 141	-	<b>%</b> - 149	145	- 1412		volume 105 lay's open in			
Dollar Dollar Guilder		81 - 715 134 - 124 8 - 74	135	-33.		134 1 13		มู	8 - 8 2 - 12H 3 - 84	រំ	- 12 - - 12 - - 8 -	THREE M	ENTH ECU		*	
. Frant dichmark		91, - 87, 81, - 8	81	- 83	9 - 1 84 -	1	9 - 84	8	1 - 12H 1 - 01 1 - 01 1 - 01	8	8 - 8.2	ECU 1m p	Close	l%.	Low	Pres.
Franc Llan Llan		10 - 10	1.2	- 91, - 11	97	n i	n. 4	านุ้		п	-111-	Sep Dec	89.75 89.75	89.75 89.76	89.67 89.75	89.74 89.75
gian Fran L Crone		95 - 95 75 - 75 105 - 105	92 73	- 94 - 74 - 164	75 - 104 -	浅日	7. 7. 01. 10	17	7	7	7 - 7 i	Mar Jen	89.67	89.87	89.84	89.86
an \$5ing.		B4 - 8	81	1 - 8	67	8	84 - E		84 - 8	81	4 - 84	Estimated Presidence d	volumer 382 ag's open kel	(51)	aren	
-811 per	prodofiars cent nom	two years 8 inal Short 1	72-82 p Jerm 196	ercent; thi e. are call	for US	Dollars a	er cent; fo nd Japane	se Yen	r, others,	ter cent; f	notice.		-4 + Abres 1001		<i>**</i>	
		EXC	CHA	NGE	CR	oss	RAT	E\$				FT-SE 10				
L 52 T	,		024	W 1	* -	1	1 4 60				0.54		Close	High	Low	Prev.
uly 27 £	1	2.834	2.962	Yen 274.5	F Fr.	S Fr.	3.340	_		_	B Fr.	Sep Dec Mar	2377.0 2438.0 2467.0	2388 0	2365.0	2385.0 2446.0 2495.0

\$100,000 32mb of 100%	Srp - 91-19
Close High Low Pr Sep 93-25 93-27 93-11 93- Dec 93-16 93-	Sep 12
Mar 93-09 92.	<b>0</b>
Estimated volume 2066 (1702) Previous day's open us. 5109 (5030)	Litest Righ Low Prev. THREE-RIGHT Sep 92.72 92.72 92.63 92.62 \$1m points of
	Dec 92.96 92.99 92.84 92.84 Mar 92.92 92.94 92.82 92.85
4% HOTTOHAL GERMAN GOTT, BOND	- Sep 92.74 92.75 92.74 92.68 Dec
Close High Law Pri	Sep Pr
es 84.74 84.78 84.38 84 ec 84.67 84.67 84.32 84	.Jos.
Estimated volume 31944 (33126) Previous day's open lat. 79258 (79786)	SWISS FRANC (IMM) SFr 125,000 S per SFr \$500 times in
6% NOTIONAL LONG TERM JAPARESE GOVT. BOND V100m 100th of 100%	Sep 0.7300 0.7322 0.7273 0.7252 Sep Dec 0.7290 0.7307 0.7267 0.7238 Dec
Close High Low Pri Sep 92,79 92.80 92.53 931	Mar 0.7282 0.7295 0.7282 0.7232 Mar 05 Jun - 0.7235
Dec 93 01 93.3 Estimated volume 226 (196)	PHILADELPHIA SE E/S OFTENS
Previous day's open int. 1047 (998)	Strike Calls
	Price Aug Sep Oct Dec Aug 1 650 17.95 17.95 18.05 17.95
THREE MONTH STERLING	- 1.675 15.45 15.45 15.55 15.45 - 1.700 12.95 12.95 13.05 12.95 1725 10.45 9.40 10.55 10.45 0.01
Close High Low Pro	1750 8.05 8.05 8.05 8.09 0.04 ♥ 1.775 5.55 566 582 6.08 0.18
Dec 86 17 86 18 86.07 86.0 Mar 87 04 87.04 186.92 86.0	Previous day's open lat: Calls 300,327 Puts 318,977 (All correctes) Previous day's volume: Calls 10.811 Puts 5.943 (All correctes)
Sep 87.92 87.92 87.82 87.3 Dec 88.04 88.03 87.97 87.5	77
Mar 86.01 88.01 67.54 67.5 Jun 87.93 87.93 87.90 87.1	90 94 Open Clase Change High
Sep 87 94 87.91 87.91 87.6 Dec 87.96 87 92 87.92 87.9 Mar 87 97 87.95 87.93 87.2	6 December 102.84 102.98 -0.02 102.98 6 March 102.84 102.92 -0.06 102.92
lum 87 97 67.5	
Est. Vol. (Int. figt. not shown) 27241 (20680) Previous day's open int. 176881 (177137)	OPTION ON LONG-TERM FRENCH SOND DIATOR
HREE MONTH EUROSOLLAR Impoints of 188%	Strike Sept. Oec. March
Close High Law Pre ep 92.07 92.10 91.98 92.0	0 102
Net 92.15 92.17 92.00 92.0 Ner 92.13 92.13 92.00 92.0 Nel 91.93 91.94 91.81 91.8	12 104 0.26 0.75 1.10
p 91.76 91.6 c 91.55 91.4	7 Open lint 113,623 29,878 2,672 8 6 Estimated volume 21,637 Total Does Interest, 264,187
ur 91.45 91.3 m 91.32 91.2	THREE-MONTH PIDOR FUTURES BARTIF) (Paris interbank effects rain)
st. Vol. (lec. figs. not shown) 4027 (3606) revious day's open inc. 32830 (33621)	Open Close Change High September 90.24 98.30 +0.06 90.31
HAREE MONTH EURGMARK III Im points of 108%	December 90.23 90.37 +0.11 90.38 March 90.25 90.40 +0.13 90.42 June 90.30 90.35 +0.10 90.35
Close High Low Pres	Estimated volume 8,942 Total Open Interest 20,470
e 91.57. 91.58 91.50 91.5 lar 91.50 91.51 91.44 91.4	1
m 91.45 91.45 91.41 91.4 m 91.41 91.41 91.37 91.3 ec 91.40 91.40 91.40 91.3	2 July 1974.0 1962.0 -22.5 1 5 August 1987.0 1975.0 -24.0 1 7 September 1988.0 1988.0 -24.5 1
ar 91.38 91.35 91.35 91.3 m 91.37 91.36 91.36 91.3	3 Becomber
stimated volume 10541 (6882) redous day's open int. 61390 (61,600)	
WREE MENTH ECU CU 1m points of 100%	BANK RETURI BANKBIG DEPARTMENT Wednesda
Close Itioh Lour Pres	July 25, 19
tc 89.75 89.76 89.75 89.75 lar 89.87 89.84 89.8	Capital 14,553,000
siloseted volume 382 (51)	Public Deposits
revious day's open lat. 2881. (2979)	Reserve and other Accounts 1,873,536,508
	ASSETS
7-SE 100 DEPEX	Advance and other Accounts
25 per full laten point  Close High Law Pres	
© 2377.0 2388 0 2365.0 2385.0 ec 2438.0 2446.0 in 2487.0 2495.0	
stimated volume 3569 (5539)	3,667,984,431 ISSUE DEPARTMENT
rentaus day's open int. 25585 (25650)	LIABILITIES Notes in circulation
OUND-S (FOREIGN EXCHANGE)	Notes in Banking Copartment
Spot 1-mth, 3-mth, 6-mth, 12-mth	
.8345 1.8241 1.8041 1.7768 1.7355	- Government Debt

Government Debt

Adam & Company ... Alther Trust Bank ...

Ulied Irish Bank

Associates Cap Corp ...... B & C Merchant Bank ....

Banco Bilbao Vizcaya .

Bank of Oppres
Bank of Ireland

Brit Bk of Mid East \_\_\_\_

Bartr of Scotland.

O Henry Aestractes .

Other Securities

High Low Pres. 1.8190 1.8080 1.7910 1.7896 1.7790 1.7686 1.7630 1.7560 1.7440

Latest 1.8156 1.7870 1.7630

6 montes US Dollars

Other Government Securities .....

FINANCIAL FUTURES AND OPTIONS

LIFFE LONG GILT FUTURES BYTTONS ESG,000 64th of 18874

Estimated volume total Calls 1650 Parts 2157 Previous day signer int. Calls 2010.3 Puts 16612

Estimated volume total Calls 130 Pars 280 Previous day's opening. Calls 13146 Pars 18351

LIFFE EUROBARK OPTIONS States at 100%.

LONDON (LIFFE)

29-YEAR 9% NOTHINGL COLT 650,000 32mm of 100%

Estimated volume 25317 (15478) Previous day's open Jap. 23052 (33664)

LIFFE US TREASURY 2010 FUTURES OFTIMES \$100,000 640m of 20076

LIFFE SHIED PUTURES OFTIONS BM250,000 points of 180%

Strike Calls-sextionents Puts-sextimoents	Strate Calls-entiaments Puts-entiament Price Sea Dec Sea Dec	- Trust Funds
Price Sep Dez Sep Dez 90 3-57 4-11 0-07 0-43 91 2-63 3-28 0-13 0-60 92 2-10 2-40 0-24 1-16	8300 1.84 2.35 0.10 0.68 8350 142 2.00 0.18 0.85	CAE Manay Management Co Ltd
92 2-10 2-40 6-24 1-16 93 1-28 2-09 6-42 1-41 94 6-55 1-42 1-65 2-10 95 6-31 1-16 1-45 2-48 96 6-16 6-58 2-30 3-26	8500 056 119 0.78 152 8500 032 043 168 181	The COIF Charities Benesit Account
96 0-16 0-58 2-30 3-26 97 0-69 0-42 3-23 4-10 Estimated volume total, Calls 9 Puts 0 Previous day 1 0000 lost. Calls 2164 Puts 2214	8500 0.19 0.80 1.45 2.13 8650 0.11 0.64 1.87 2.47 Estimated volume total, Calls 3395 Pars 2637 Previous day's open tar. Calls 43662 Pars 42241	Cast. Bd. of Fig. of Church of Englands:
LIFFE TURADRILLAR OFTENS	LIFFE SHORT STEELING OFTIONS	Gartinore Management Ltd
Strike Cally-settlements Puts-settlements Price Sep Dec Sup Dec 9125 0.82 0.92 0.02	Strike Calls-settlements Pots-settlement Price Sep Dec Sep Dec	Dollar
9150 0.57 0.69 0 0.04 9175 0.33 0.48 0.01 0.08 9200 0.14 0.31 0.07 0.16	8450 083 1.69 001 0.62 8475 0.59 1.46 0.62 0.04 8500 0.36 1.23 0.04 0.06 8525 0.20 1.01 0.13 0.29	Manager Manager
925 0 03 0 18 0.21 0.28 920 0 01 0 09 0 44 0.44 9275 0 0.04 0.66 0.64 9300 0 0 0 0 0.93 0.86	8525 0 20 1 01 0 13 0 29 8539 0 11 0 91 0 29 0 14 8575 0 07 0 63 0 50 0 21 8600 0 05 0 47 0 73 0 30 8625 0 03 0 35 0 96 0 43	Bank Accounts
Estimated valume total, Calls 325 Parts 150 Previous day's open int. Calls 4087 Pars 3803	Estimated volume total, Calls 3013 Pers 3275 Previous day's open ins. Calls 59653 Pers 60921	Gross Not CAR let Cr
CHICAGO		Treatment Act 13 50 10 53 14 60 Qur 13 50 10 53 14 60 Qur 13 50 10 53 14 73 Mules 14 50 10 10 10 10 10 10 10 10 10 10 10 10 10
Lates High Low Prev Sep 93-23 93-27 93-09 95-15	JAPANESE YEN CIKMI V12.5m S per V160 Latest High Low	Allied Trust Bank Ltd
Sep 93-23 93-27 93-09 93-15 Dec 93-15 93-17 93-01 93-06 Mar 93-06 93-08 92-31 92-32 Jun 92-30 92-30 92-26 92-22	Bec 06678 06680 0.6642 0.6	651 HICA (6250 001-4
0e: 45-11 35-11 45-11 45-12	DEUTSCHE MARK (IMM)	Acceptant Express Bank Ltd c/o American Express Figuration Services Limited 49 The Marriels, Burgess Hill West Season, RH15 9HW 0444 870088
Srp - 91-26	549 0 6186 0.6202 0.6166 0.6	High Purismance Cinema Accessed  11 000-64 999
U.S. TREASURY BOLLS (2004)		Bank of Ireland High Interest Change Acc
Size points of 100%  Listest High Low Prev. Sep 92.72 92.72 92.63 92.62	THREE-WOOTH EUDOGGLIAR (THAN) Sim points of 100%	2.000-9.999 13.782 10.790 14.921 Qt- £10,000+ 14.103 11.000 15.283 Qt-
Dec 92.96 92.99 92.84 92.84 Mar 92.92 92.94 92.82 92.85 Jun 92.74 92.75 92.74 92.88	566 92.07 92.10 91.99 92	78 Threshough St. EC27 2514 071-501 6745 280 C25,0800 13 65 10 44 14 91 Min
Sep - 92.60	Mar 92.12 92.14 92.00 92 Jun 91.94 91.96 91.81 91 Sep 91.77 91.78 91.64 91	.01 Barciays Capital Advantage Account .52 P0 Box 120, Westwood Bs Pt. Covery 0203 694242 .65 E10 000-024 999 114 00 10 501 15 13) Our
	Mar 91.45 91.46 91.31 91	34 (56,000) 11.40 15.67 Qc 12.40 15.67 Qc
SWISS FRANC (IMM) SFr 125,000 \$ per SFr  Latest, filigh Low Pres.	STANDARD & PORRS 500 DIDEX \$500 times index	P0 Sex 125, Northampton 0604 252891 £1,000-£2,499 11 80 4.20 12.70 Oct £2,500-£34,499 12.20 4.50 13.13 Oct £10,000-£34,499 12.80 10.00 13.84 Oct £25,000+ 13.10 16.25 14.20 Oct £25,000+ 13.10 16.20 Oct £25,000+ 13.10 16.20 Oct £25,000+ 13.10 16.20 Oct
Sep 0.7300 0.7322 0.7273 0.7252 Dec 0.7290 0.7307 0.7267 0.7238 Mar 0.7282 0.7295 0.7282 0.7232	Sep 356.55 356.50 355.60 356	AS Benchmark Bank PLC Pressler Account
PHILADELPHIA SE E/S OPTEMS		Samil Deposits 10.50 12.500-(10.000 13.50 10.53 14.60 0er (10.002-520.000 13.75 10.73 14.85 0er (20.0004 14.50 11.31 15.73 0er
Strike Calts	Puts	- B & C Merchant Bank PLC Perticile Acc
1.650 17.95 17.95 18.06 17. 1.675 15.45 15.45 15.55 15.	Dec Aug Sep Oct Do .95 - 0.02 0.07 0.5 .45 - 0.04 0.16 0.8 .95 - 0.08 0.37 1.3	250,000 and above 114.25 11.12 15.50 Qtr
1 725 10 45 9.40 10 55 10 1 750 8.05 8.05 8.05 8	45 001 024 0.73 2.0 09 004 057 1.27 2.7	Frenches Court (ettinen   enten FC2 (171,606,0833)
	All currencies)	Caledonian Bank Pie 8 St Andres Square, Edinburgh EH2 2PP 031 956 8295 HICA
18 YEAR 18% HOTIONAL FRENCH BOND MATER FU		Cater Alien Ltd 25 Birchin Lanc, London EC3V 90J 071-623 2070
Open         Class         Change           September         102,74         102,90         -           Describer         102,84         102,98         -0.02           March         102,84         102,92         -0.06	102.94 102.70 9.49 60.1 102.98 1/2.84 9.47 10.1	183 Charterhouse Bank Limited
June Extimated volume 35,019 Total Open Interest 72,426	102.72 202.04 4.47 1.0	0 (2.500-£19.999 13.25 10.34 14.45 Metr £20,000-£49,999 13.50 10.53 14.74 Metr
OPTION ON LONG-TERM FRENCH SOND GLATOFI  Calls	Pins	230 000 - 640 999 13 50 10 53 14 74 Mith 13 000 - 690 999 13 75 10 73 15 02 Mith 13 000 - 640 999 13 75 10 73 15 02 Mith 15 000 - 640 999 14 00 10 92 15 31 Mith 15 000 - 640 999 15 000 5 46 7 47 Mith 15 000 - 640 999 17 00 5 46 7 47 Mith 15 000 - 640 999 17 00 5 46 7 47 Mith 15 000 - 640 999 17 00 5 46 7 47 Mith 15 000 - 640 999 17 00 5 46 7 47 Mith 15 000 - 640 999 17 00 5 46 7 47 Mith 15 000 - 640 999 17 00 5 46 7 74 Mith 15 000 - 640 999 17 00
Scribe Sept. Oec. 100 101 1.96	- 0.04 0.32 - 0.09 0.51	phone ext 2166
103 1.12 - 103 0.54 1.14 104 0.20 0.75 105 0.06 0.43	1.51 0.64 1.20 1 1.10 1.26	57 St Martin Hs. Hammersmith Grow W6 (181-74) 4941
Open Int. 113,623 29,878 Estimated volume 21,637 Total Open Interest, 264,187		Civierdale Bank Pt.C
THREE-MONTH PIBOR FUTURES (MATTE) (Parks Inherbs  Open Close Change September 90.24 98.30 +0.06	High Low Yield Occu 90.31 90.22 9.70 14.	
December 90.23 90.37 +0.11 March 90.25 90.40 +0.13 June 90.30 90.35 +0.10	90.38 90.23 9.63 4) 90.42 90.25 9.59 1)	180 (55)000+
CAC-49 FUTURES (MATER) Stock Index		GRAN
Open Close July 1974.0 1962.0 August 1987.0 1975.0	Charge High Low Open -22.5 1975.0 1952.5 3.3 -24.0 1987.0 1968.0 3.0	
September 1998.0 1968.0 December Estimated volume 7,027 Total Open Interest 6,553	-24.0 1987.0 1968.0 3,0 -24.5 1998.0 1988.0	SPONSORED
BANK R	ETURN	High Low Company
BANKBIG DEPARTMENT	Wednesday Increase or July 25, 1990 decrease for wee	343 273 Ass. Brit. led. Ordinary
LIABILITIES Capital	£ £ 14.553,000	125 96 Bardon Group Cr Pref (SE)
Public Deposits	41,024,796 + 1,988,092 738,870,127 + 101,606,419 873,536,506 - 79,235,725	110 82 Brembiti Conv. Pref
3,	687,984,431 + 24,358,786	230 140 Carbo Pic SE
	398,878,738 - 64,785,000 841,711,012 + 268,746,248	7.5 0.125 *Magnet Gp Non-Voting B Cov 0
Premises Equipment & other Secs 1,	414,961,305 - 183,000,352 12,211,027 + 3,384,547	146 58 Jackson Group (SE)
3,	224,349 + 13,343 667,984,431 + 24,358,786	467 320 Scrittons
ISSUE DEPARTMENT		395 235 Veterinary Drug Co. PLG
		SECTION CONTRACT (SET AND JOSIA) WE AGREE
Notes in Banking Department	887,788,973 + 26,615,463 12,211,027 + 3,384,547	ISE. Other securities listed above are dealt in a These securities are dealt in strictly on a mater Companies Exchange Limited nor Gramilie Companies

# prican Express Bank Ltd Interior Express Financial Services Limited 49 The Marriels, Burgess Hill West Subses, RH15 9000 0444 870088 13.000-24.999. 12.16 9.50 12.57 Nets 1.000-29.999 12.51 10.00 13.59 Nets 125.000+ 14.50 11.7 15.6 Yearly 13.58 10.66 14.46 Nets 110.000- 13.59 Nets 125.000+ 13.9 10.5 14.0 Yearly 13.58 10.66 14.46 Nets 110.000- 13.9 10.5 14.0 Yearly 13.9 10.5 14.0 Yearly 13.9 10.5 14.0 Yearly 13.9 10.5 14.0 Yearly 13.9 10.5 14.0 Yearly 13.9 10.5 14.0 Yearly 13.9 10.5 14.0 Yearly 13.9 10.5 14.0 Yearly 13.9 10.5 14.0 Yearly 13.9 10.5 14.0 Yearly 13.9 10.5 14.0 Yearly 13.9 10.5 14.0 Yearly 13.00 No. 9.999 11.782 10.790 14.921 Or M. & G./Kleinwort Berson 13.782 10.790 14.921 Or M. & G./Kleinwort Berson 13.25 10.305 14.47 0.007 ## of Scotland Threndomedir St. EC27 201 Option 1114 O | Box 120, Westwood Bs Pt. Covery | 0203 694242 | 0,000-024 999 | 14.00 | 10.90 | 15.13 | 0tr | 0.000-024 999 | 14.25 | 11.20 | 15.57 | 0tr | 0.000-024 999 | 14.30 | 11.40 | 15.87 | 0tr | 0.000-024 999 | 14.30 | 11.40 | 15.87 | 0tr | 0.000-024 999 | 11.40 | 12.80 | 12.70 | 0tr | 0.000-024 999 | 11.40 | 12.41 | 0tr | 0.000-024 999 | 11.40 | 12.41 | 0tr | 0.000-024 999 | 11.40 | 12.41 | 0tr | 0.000-024 999 | 11.40 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | 0tr | 0.000-024 999 | 12.41 | Royal Bank of Scotland plc Premium Acc \*\*Reference Service Bank PLC Premium Accused 15.0000\*\* \*\*Solution of the Street William Street Willi TSB Bank pic (England & Wales) 100 Lover Thames St. Lotton EC3R 6AQ 071-623 6000 11 Lover Thames St. Lotton EC3R 6AQ 071-623 6000 11 Lover Thames St. Lotton EC3R 6AQ 071-623 6000 11 Lover Thames St. Lotton EC3R 6AQ 071-623 6000 11 Lover Thames St. Lotton EC3R 6AQ 071-623 6000 11 Lover Thames St. Lotton EC3R 6AQ 071-623 6000 11 Lover Thames St. Lotton EC3R 6AQ 071-623 6000 12 Lover Thames St. Lotton EC3R 6AQ 071-623 6000 12 Lover Thames St. Lotton EC3R 6AQ 071-623 6000 12 Lover Thames St. Lotton EC3R 6 1.674 | Charterteesse Basik Limited | 17.248 4000 | 13.57 10.43 14.46 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 | 14.45 Wirmbledon & South West Finance Co Ltd. 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Northern Bank Ltd .......
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Provincial Bank PLC .....

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BASE LENDING RATES

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Equatorial Bank plc .....

First National Bank Plc.

Hansoshire Trust Pic .....

Heritable & Gas law Best .

C. Heare & Co. ..

Reported & Statute ...

Robert Fleming & Ca. ..

#### SPONSORED SECURITIES 10.3 3.7 7.4 275 38 19 Armitage and Rhodes .. 3.0 14.1 6.9 -6.6 11.6 13.4 2.5 6.0 14.7 8.8 176 163 CCL Group 11% Comy. Pref ...... 33 135 230 140 Carbo Pic ISE). 110 109 Carbo 7.5% Pref (SE) ...... 7.5 0.125 "Magnet Gp Non-Vetling A Criv..... 0.125 7.5 0.125 "Magnet Gp Non-Voting B Cov..... 0.125 3.8 10.0 58 Jackson Group (SE) .. 243 Multihouse NV (Aenst5E) ...... 8.4 3.9 6.2 9.0 6.0 9.1 6.4 395 235 Veterinary Drug Co. PLC Securities designated (SE) and (USM) are dealt in subject to the rules and regulations of the These securities are dealt in strictly on a matched bargain basis. Neither independent Companies Exchange Limited nor Gramitie Davies Limited are market makers in these These securities are death on a restricted basis. Further details available

Granville Davies Limited Independent Companies Exchange Limited 77 Mansell Screet, London El 8AF 77 Mansell Street, London El 8AF Telephone 071-488 1212 Telephone 071-488 1212  $\mathbb{G}$ Member of The ISE & TSA Member of TSA

#### MONEY MARKETS

H FI. Lira

INTEREST RATES had a as slightly softer tone in London yesterday as sterling gained ground on the foreign exchanges. Three-month interbank was unchanged at 15-14# per cent and 12-month money eased to 14% 14% per cent from 14%-14%. Short sterling futures were firmer on Liffe, with prices rising as the pound improved. December delivery opened lower at 86.05, but closed around the top of the

UK alcaring book hase lending rate from October 5, 1989

day's range at 86.17 compared with 86.08 previously. Day-to-day credit was in very short supply on the money market. The Bank of England initially forecast a shortage of £1,000m, but revised this to £1,100m in the afternoon. Total assistance of £979m was

provided. An early round of help was offered and at that time the authorities bought £292m bank bills outright, in band 2 at 14% £392m bank bills were purchased, in band 2 at 14% per cent. In the afternoon the Bank of England bought 2295m bank bills in band 1 at 14% per

Bills maturing in official hands, repayment of late

C1 4	(11.00 a.m. July 27)	3 months US dollars	
fter tone	hid 8	offer 81 <sub>9</sub>	
assistance and a take-up of Treasury bills drained £296m,	The fixing raiss are the arithmosted to the market by five is Bank, Bank of Tolyo, Deuts	setic sugar, rounded to t reference banks at 11.00 site Bank, Banque Natio	
with Exchequer transactions absorbing £110m, a rise in the		MONE	
note circulation £530m, and	ALTERA MOUNT		

87.19 126.6

Yen per 1,000: French Fr. per 10: Lina per 1,000; Beigian Fr. per 100.

0.751 1.158

4.690 16.24

1.541

1.579 5.466

1025 3548

bank balances below target At the weekly Treasury bill tender the average rate of discount rose to 14.3317 from 14.3188 per cent. The top accepted rate of discount was unchanged at 14.3393 per cent. This was equal to a price of 296.425 and bids at that level received around 49 per cent of the amount applied for. The 2500m bills on offer attracted bids of £2.065m, compared with £1.668bn for a similar amount

last week. The average rate of discount 13.7079 from 13.7309 per cent. These met applications of £1.245bn, against £936m for the same number of bills last week. Next week another another 2500m of 91-day bills and £200m of 182-day bills will

be on offer. In New York the Federal Reserve added temporary funds to the money market, via \$1.5bn of customer repurchase per cent. Before hunch another agreements. Federal funds were trading at the assumed target rate of 8 per cent. In Amsterdam the Dutch Central Bank left its special advances rate to the money market unchanged at 8 per cent, when offering three-day funds from Monday.

	M	ONE	RAT	ES	•	
NEW YORK			Treasury	Bills and	Bonds	
(Lunchtime)	De Tr	re exercit	neal softs leaded	6.93 Targe 9.30 Four	)627 ,.,	8.13 R 19
Prime rate	. 30 17	ree Storth		7.77 Fivey	<b>Lit</b>	B.24
Broker load rade	. ૧૫ દ્ર	x month ,		7.80 Seven	New .	A.38
Fed fands at intervention	. B O	10 163,	1100 1. 191000 10:71	7.81 10-ye 8.00 30-ye	ž _11 h 1. <b>T</b> maniemini	845
July 27	Overnégét	One Nexth	Two	Three Months	Stx Months	Lombard
Frankfurt	7.85-7.95	7.95-8.10	7.95-8.10	8.05-8.20	8.20-8.40	8.00
Paris Memorial Commence	10-10-	94-94	911-911	913-918	94-10	9.50
brick	73-84 8.06-8.19	81-9 8.06-8.18		11.5	-	-
Arsterdagt	8.06-B.19	8.08-8.18 75-78	-	8.23-8.33	-	-
Tokyo	14-75	116-11		11:13	•	
Brassaks	8.45	95-91		91.9		l :
Public	104-10種	104-101	10年-10日	107-10H	107-707	
	ONDO	VAL 14/	MEV	DATE	160	
	~nu.	_			-5	
		7 days	Ote Month	Months	Six Months	One Year
Jul 27	Gvernight	notice	MORE	Mande		l
Interback Offer	154	15	-	15	14%	14%
ntortank Offer	154	15 144	15	15	144	145
ntertank Offer	154	15	15 147 148	15	144	145
ntertank Offer	154	15 144 145	15 147 141 143	15 147 141 141 141	143 144 144 144	145
ntertank Offer	154	15 144 143 143	15 147 141 143	15 147 141 141 141	144	1412 1412 1412
ntertank Offer	15t 14 143 15	15 144 143 143	15 147 143 143 143	15 147 141 141 141	143	145 145 145
Intertiank Offer	154 14 143 15	15 144 143 143	15 147 143 143 143	15 147 141 141 141	143	145 145 145 145 145
Intertank Offer	154	15 144 143 143	15 147 143 143 143	15 147 141 141 141	143	1412
Intertank Offer Intertank Bid Sterling GDs. Local Authority Deps. Local Authority Bonds Discount Mirt Deps. Company Deposits Finance House Deposit Freesury Bills (Buy) Sank Bills (Buy) Fine Trade Bills (Buy)	154	15 144 143 143	15 147 143 143 143	15 147 141 141 141	143	1412
Interbank Offer Interbank Bid Sterling GDs. Local Authority Deps. Local Authority Bonds Discount Mirt Deps. Company Deposits Flaance House Deposit Freasury Bills (Buy) Bank Bills (Buy) Dollar GDs.	154	15 144 143 143	15 147 141 143 144 15 144 15 144 153 8.03	15 147 141 141 141	144 144 144 144 144 144 144 144 144 144	1411
Interbank Offer Interbank Bid Sterling GDs. Local Authority Deps. Local Authority Bonds Discount Mirt Deps. Company Deposits Flaance House Deposits Treasury Bills (Buy) Bank Birjs (Buy) Fine Trade Birjs (Buy) Dollar CDs.	154	15 144 143 143	15 147 147 144 144 15 144 15 144 15 8 03 8 3	15 147 141 141 141	144 144 144 144 144 144 144 144 144 144	1411
Intertank Offer Intertank Bid Sterling GDs. Local Authority Deps. Local Authority Bonds Discount Mirt Deps. Company Deposits Finance House Deposit Freesury Bills (Buy) Sank Bills (Buy) Dollar GDs.	151	15 144 143 143	15 147 141 143 144 15 144 15 144 153 8.03	15 141 141 141	143	145 145 145 145 145

0.633

18.29 28.18

FT LONDON INTERBANK FIXING

	Paris		7.95-8.10 91-93 81-9 8.06-8.10 7'9-7'5 11 5-11'4 93-9'5 106-1012	7.95-8.20 911-92 104-104	8.05-8.20 911-911 8.23-8.13 73-711 111-12 911-91	8.20-8.40 9%-10 10%-10%	8.00 9.50	CL Bank Noterland
t	L	ONDO	N M	DNEY	RATE	es		
	Jul 27	Gvernight	7 days motice	One Month	Three Months	Stx Moaths	One Year	TELEPHONE: 071-828 7233 APRO MEMBER
	Interbank Offer Interbank Bid Sterling GDs. Local Authority Deps. Local Authority Boats Discount Mixt Deps. Company Deposits Finance House Deposits Treasury Bills (Buy) Bank Bills (Buy) Fine Trade Bills (Buy) Dollar CDs. SDR Linked Dep. Offer SDR Linked Dep. Offer ECU Linked Dep. Bid ECU Linked Dep. Bid	14	15 144 145 14B	15 147 147 144 15 148 15 16 15 16 17 18 18 18 18 18 18 18 18 18 18 18 18 18	15 144 144 144 15 144 15 8.05 8.10 10	144 144 144 144 15 134 18.05 91 10.4	145 145 145 145 145 145 145 145 145 145	July. 2326/2636 -3 Aug. 2908/2920 -7 Sept. 2374/2384 -3 Sept. 2920/2932 -7 Spm Prices. Change from previous 9pm close HOW WELL DID YOU JUDGE THE MARKET?
	Treasury Bills (seil); one cent; Bank Bills (seil): Average tender rate of diday June 29,1990. Agr p.c., Scheme IV&V: 15.025 p days' fixed. Finance Hot green days notice 4 per cheld under one month 11 six-aine months 13 per cr Oct 9,1989. Deposits a	16.25 p.c.   J.c. Local Ar ISES Base Ra ISES Certification of the control of t	Reference in Albertty and te 15½ fro cates of Tax one-three in the months	three months ent: three months GD Flund Ra y 25, 1990 to the for period if Finance He m July 1, 1: n Deposit IS nonths 13 period	ouse 1, 1990; Bank 1990; Bank 1990; Bank 1990; Bank 1990; Control (1990)	ent; six mon per cent; Tre Export Finer 1990, Scho 990 to June lays' notice, reposit Rates posit £100,0	ths 13 2 per easury Bills; nce. Make up me !: 15.84 29, 1990, others seven to for sums at 100 and over 13 per cent.	FINANCIAL MARKET UPDATE LINE 0836-405 309 25p per min (cheap rate) 38p per min (other times) Tel: 071-799 2233 Fax: 071-799 1321

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#### PERSONAL COMPUTERS & SOFTWARE

The Financial Times proposes to publish this survey on:

25th September 1990

For a full editorial synopsis and advertisement details, please contact Meyrick Skumouds

> on 071 873 4540 or write to him at :

Number One

Southwark Bridge London SEI 9HL

FINANCIAL TIMES

#### COLOROLL HOME FURNISHINGS LIMITED (IN ADMINISTRATIVE RECEIVERSHIP)

As a result of our involvement in litigation concerning creditors' retention of title claims involving the above company we are convening an informal meeting of interested parties at our offices in Manchester. For further details and formal invitation please contact either Mrs. A. Kershaw, Mr. N. Frost or Mr. C. Abbott. (During normal office hours).

Rowley Dickinson, Solicitors and Notaries Public. Halifax House, 93/101 Bridge Street, Manchester M3 2GX. Telephone: 061 834 4215, Fax: 061 834 5153, Telex: 668780.

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# LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talisman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date. Rule 535(2) and Third Market stocks are not regulated by the

International Stock Exchange of the United Kingdom and the Republic of Ireland Ltd. ‡ Bargains at special prices. • Bargains done the previous day.

Mitsubishi Trust & Banking Corp She of Core Stk Y50 - Y1800 (25Jy90)

9% Subord Una Ln Sik 1993 - 207

12%% Subord Uns Ln Stk 2004 -

Royal Bank of Scotland Group PLC5%%

Standard Chartered PLC12%% Subord

Uns Ln Stk 2002/07 - 192% % %

TSB Group PLC10%% Subord Ln Stk

Warburg (S.G.) Group PLC Cnv Did 25p -

Breweries and Distilleries

Alled-Lyons PLCADR (1:1) - \$9.05

11%% Dob Stk 2009 - 296% %

7% Cum Py! \$1 - 59% (24Jy90)

814% Deb Sik 87/92 - 205 9 %

4%% Une La Stk 92/87 - 286%

(25Jy90) 7%% Uns Ln Sik 92/97 - 275% 6%

(24Jy90) Bass Investments PLC7%% Uns Ln Stk

Boddington Group PLC914% Cnv Uns Lo

Bulmer(H.P.)Hidgs PLC8%% 2nd Cum Prf 21 - 79 (23Jy90) Greenali Whitley PLC"A" Ord 5p - 210 8% Cum Prf 21 - 75

83% % krd Uns Ln Stk - £53 (23Jy90)

(23.Jy90) Heavitree Browery PLC11%% Cum Prf £1

Herdys & Hansons PLCOrd 25p - 896

Mansfield Brewery PLCOrd 21 - 440

Scottish & Newcastle Breweries PLC7% Cnv Cum Pri £1 - 158

7.6% 1st Mtg Deb S& 89/94 - £54 Thweltos(Desien) PLC5% 1st Curr Prf £10

Vaux Group PLC10.75% Dab Stk 2019 -

286% (25Jy90) Watney,Marin & Trumen Hidge PLC3%%

121/1% Red Deb Stk 2008 - 1219

ADR (5:1) - \$41.16 (253/90)

5% 3rd Cum Pri Stk Et - 50

(25J)90) Whitbreed & Co PLCS Ord 25p - 212.1

4%% Red Deb Stk 99/2004 - 245

7%% Rad Deb Stk 89/94 - £85%

7%% Una Ln Stk 96/2000 - £88

(25Jy90) 10%% Una Ln Stk 2000/05 -- 287%

Young & Co's Brewery PLC9% Curt Pri

North Housing Association Ld Zero Cpn Ln Stx 2027 - 2204

Commercial, industrial, etc

AAH Hidge PLC4.2% Com Pri E1 -49

ABI Laisure Group PLCOrd 10p - 126

AMEC PLC15% Uns Ln 8tk 1992 - 1977

API Group PLC3.85% Cum Pri 21 - 40

Aegis Group PLCADR (2:1) - \$9.77 (20Jy90) 55% Cnv Cum Red Pri 1999 10p -

Adecene Group PLC7%% Criv Red Curr

Airtours PLCWarrants to sub for Ord - 5

Albright & Wilson Ld7%% Deb Stk 85/90 -

295% (23.1y90) Alcen Aluminium Ld Com Shs of NPV --

£12¼ 12.7 (25Jy90) Alexon Group PLC8.25p (Net) Cmy Cum

American Brands Inc-She of Core Stk

\$3.125 - \$70% (\$4.1y00) Asprey PLC6%% Cum Prf £1 - \$4 60‡ (20.1y80)

Associated British Engineering PLC-4.9% Cum Pri 21 - 38 (20Jy90)

Associated British Foods PLC5%% Una

Ln Sck 67/2002 50p - 25 (25Jy90)

Attwoods PLCADR (5:1) - \$44%

71/2% Uns Ln 8tk 87/2002 50p - 331/2

(25Jy90) Asiac(6SR) PLC5%% Uns Ln St; 85/90 —

Attwoods (Finance) NV8%p Gtd Red Crw

Pri 5p - 144 Austin Reed Group PLCOrd 25p - 405

(28Jy90) Automated Security@Ridgs) PLC8% Cnv Cum Red Prf 21 - 127

% 7 9% 100% (25Jy90) BAT industries PLCADR (1:1) -

BET PLCADR (kt) - \$19

(25.)y90) 7% Osb Sak 85/90 - £97

Ayrishire Metal Products PLCOrd 25p - 95

BICC PLC65/5 2nd Cum Pri Stk E1 - 45

7%% Dab Stk 90/95 - £79 (28Jy90) BICC Capital Finance Ld10.75% Cnv Cap

BM Group PLC4.8p (Net) Criv Cum Red Pri 20p - 138 40 (25Jy90) SOC Group PLC4.55% Cum Pri 21 - 50

3.5% Cum 2nd Pri 21 - 40 (20Jy80)

12%% Une Ln 86k 2012/17 - 595 %

BS Group PLCOrd Sak 5p - 305 (26Jy90) B.S.G.international PLC 12%% Une Ln Stk

BTP PLC7.5p(Net) Cnv Cum Fled Prf 10p

Bardon Group PLC5p (Net) Cay Cum Red

Prf 10p - 95 (20Jy90) Berr & Wellace Arnold Trust PLCOrd 25p

= 450 (23Jy90) BeattleLiames)-PLC6%% 1st Mig Deb Stk

Beazer PLC8.67% Cum Red Prf 21 - 54 5

8%% Cnv Uns La 89: 2000 ~ 2117

73 % (25.1y90) Bennett & Fountain Group PLCWarrants

87/92 - 280 (24Jy90) Elus Circle Industries PLC574% 2nd Deb

Blustiell-Permogleze Hidgs PLC7%% Una

to sub for Ord - 6 (25Jy90) firmid Quelcast PLC 7%% Una

SM 1864/2008 ~ 256%

Ln Stk 90/96 - 276

(24Jy99) Bellway PLC9.5% Cyra Red Prf 2014 21 -

(23.1y90) 2.8% Cum 2nd Pri £1 - 82

99/98 - 290 (24Jy90)

BTR PLCADA (4:1) - \$10.05

86/90 - £9614 (20Jv90)

Belley(C.H.) PLCTET Ord 10p - 18

Bda 2020 (Fp/PAL-10/8/90) - 100 .199

Red Prf 10p - 126 7%

£92 (24JV90)

\$10.91463 %

No. of bargains included 13016

(25.)y90) ADT LdADR (10:1) - \$30%

Prf 21 - 50

(25Jy90) 7% Red Deb Sik 88/93 - 284 (34Jy90)

7%% Une Ln Sik 86/91 - 294 (23.)/90) 7%% Une Ln Sik 95/99 - £70% 1 %

7%% Red Deb Six 67/92 - 287 (23Jy90)

34% Deb Stk 87/92 - 280

92/97 - 275

- 105 (ZSJy90)

Ind Deb Sik - E32

£1 - 80 (20Jy90)

Associations

Registered Housing

No. of bergelns included nill

Stit 2000/05 - 2151

7% krd Uns Ln Stk - £56

Guinness PLCADR (5:1) - \$72 %

7%% Cum Pri £1 - 67 (25Jy90) 6%% Red Deb Stk 87/82 - 284 (20Jy90)

6%% Uns Ln Stk - £50 (25Jy90) 7%% Uns Ln Stk - £63 (25Jy90) 7%% Uns Ln Stk 98/98 - £75% 6 % 7

Bass PLC4% Cum Pri £1 - 33 (24)/90)

101/1% Deb Stk 2016 - £55% (23Jy90)

10.66% Deb 5tk 96/99 - 226% (25.1y90)

Prf E1 - 68 7 (25Jy90)

Cum Prf £1 - 55 (23.Jy90)

2008 - 284% 5% 6%

No. of bergains included 534

(24.)y90) 5%% Cum Pri E1 - 45

297 % % % %

National Westminster Bank PLC7% Cum

British Funds, etc. No. of bargains included 1860 Guarantiaed Export Finance Corp PLC 12%% Gtd Ln Stk 2002(Reg) - £103% Corporation and County Stocks No. of bergains included? Greater London Council 6 k% Stk 90/92 -290% 1% % Sirmingham District Council 11%% Flad 5tk 2012 - £35 (20Jy90) Croydon Corp 3%% Stk - £20 (24Jy90) Leeds(City of) 13%% Red Stk 2006 -2106% (25Jy90) Menchester(City of) 11.5% Red Stk 2007 -293 (25Jy90)

UK Public Boards No. of bargains included4 Stx 61/91 - £86 5%% Deb Stk 93/95 - 280 % (23Jy90) 6%% Deb Stk 92/94 - 280% 8%% Deb Stk 85/90 - 298% 7%% Deb Stk 91/98 - 286 (24Jy90)

10%% Deb Stk 92/95 - £91% (25.jy90 Port of London Authority 31/4 Stk 49/99 247 (25Jy90) Scottish Agric See Corp7%% Deb Stk 90/92 - £84 (25Jy90) Commonwealth-Government

No. of bergeins included till Jersey Electricity Co Ld6% Gtd Stk 2000

Foreign Stocks, Bonds, etc-(coupons payable in LONGON) No. of bergains included 12 Abbey National Treesury Servs PLC 13%% GtdNts1995(Br21000,10000&100000) -

£100 % % (25Jy90) Ansstardam-Rotterdam Bank NV 12%% Nts 1999 due 1992 – £97% (20Jy90) B.A.T.International Pleance PLC10%% Ged Nts 1991(BrE5000) - 295K % (25Jy90) Barclays Bank PLC9%% Gtd Nts 1993 -E91% 2 (25Jy90) Blue Circle Industries PLC6%% Subord Cnv Bde 2002 - £106% % (25Jy90) Boots Finance Ld6% Cav Cap Bds 2005

(Br) - £101 ¥ British Telecommunications PLC9%% No. 1993 - 291% % (28Jy90) 13%% Nts 1993 (Br2T00,1000&10000) -£102% (25Jy90) Zero Con Bas 2000 - £34% (£3Jy90) Dixons Group (Cepter) PLC6%% Cnv Gnd Bds 2002 (Br£5000&50000) - £59 %

Eksportfinens AS 10%% Nts 1995 (BrEC1000&10000) - EC101 (25Jy90) General Motors Acc Corp(UK)Fin PLC11% Nts 1991 - £97.2 .27 (23Jy80) Hattax Building Society 10%% Nts 1997 -

Fitg Flate Ln Nts 1992(Br£5000) -£100.01 (23.ly90) Hickson Capital Ld 7% Cmr Cap Bds 2004 (Reg) - 92% 7% Cmv Cep Bds 2004 (Br£1000&10000) - 290 (20Jy90) LC.I.Finance(Natherlands)NV 8%% Gtd Cnv Bds 1999 - £131% 2 (24Jy90) LC.Linternational Finance Ld8X% Cnv Gtd

Bdn 1997 - \$247 50 (23Jy90) International Bank for Rec & Dev10%% Nts 1999 (Br25000) - 288% (24Jy90) 10%% Nts 1984 - 294% % (25Jy90 Investors in Industry Int'l BV 101/2% Gtd Eds 1991 (Br25000) - 295% % (24Jy90) Lacbroke Group PLC5%% Subord Criv Bds 2004(Br£100085000) - £105 % Leeds Permanent Building Society9%% Bcs 1993 (Br25000) - 290% 10%% Subord 8ds 1998 (Br25000) -

£85% (23Jy90) Lewns (John) PLC 10%% Bds 2006 — £82 (24Jy90) Lloyds Bank PLC 10%% Subord Bds 1996/B+£100007 - £85% London International Group PLC4%% Cnv ids 2002 - £101 2 (2 MEPC PLC9%% Bds 2004 - 278 (24,1/90) Marks & Spencer Finance PLC9%% Gtd

Nts 1993 - £93½ (25Jy90) Oesterreichische Kontrolibank AG 12% Gittl Nts 1992 - 297% (20Jy90) Peerson PLC 10%% Bds 2006 - 280% (23Jy90) Peninsular & Oriental Steam Nav Co4%% Cav Bds 2002 - 299% % (24Jy90) Redend Finance PLC Zero Con Nts 1992 - E79 % (23Jy90) 6%% RedCrivPri

200321(BrShs1000&10000) - 254% % Sainsbury(J) PLC12%% Ntn 1995 - E99% % (23Jy90) Slough Estates PLC6% Cnv Bds 2008 -£99% (28Jy90) Sweden(Kingdom at) 9%% Nts 1993 -Tesco Cepital Ld9% Onv Cap Bds 2005(Reg) - £107% 9% Chy Cap Bds 2005(Br£5000&10000)

- £107 (23.jy80) WCR\$ (Notherlands Antiles) Fin NV9%% Gtd Red Cnv Prf 2004 1p(Reg) - 101 Mitsubishi Corporation Finance PLC Y10000m 5.5% Nts Feb 1998 les 2 -

Observational Treasury Corp \$A15m 12% Nts 15/7/99 - \$A91 (20Jy90) Sterling Issues by Overseas Borrowers

No. of bargetns included:25 Bank of Greece 10%% Ln Stk 2010(Reg) -252% (20.Jy90) 10%% Ln Six 2010(2r) - 280% Credit Foncier De France 10X %-GodSeri\_n90x2011.12,13,14(Reg) - 287% % % 8% (20Jy90) 14%% Gld Ln Sik 2007(Reg) - £119%

(23Jy90) Denmark(Kingdom of) 18% Ln Stk 2006 Electricité de France 11%% Gtd Ser Ln Stk 2009/12(Reg) - 299 % (20Jy90) European investment Bank9% Ln Stk 2001 (Reg) - 280% 9%% Ln Stk 2009 - 282% % 10%% Ln Sik 2004(Reg) - 208% 11% Ln Sik 2002(Reg) - 292%

Finland(Republic of) 115% Ln Stk 2009(Fleg) - 296 % % (20.1/90) Hydro-Quebec 12.78% Ln Six 2015 -2102% (25Jy90) 16% Ln Stk 2011 - 2117% (24Jy90) Inco Ld15%% Una Ln Stk 2006 & Rep Opt Inter-American Development Bank9%% Ln Stk 2015 - 283 International Bank for Rec & Develit Ln Six 2010(Reg) - \$82%

11.5% Ln Stk 2003 - 295% %

Montreal(City of)3% Ferm Deb Sik - 220 (23Jy90) New Zantand 7%% Stk 88/92 - 289% 11 14 % Six 2008(Reg) - 2920 11 14 % Six 2008(Br 25000) - 293% 17 1/2% Sisk 2014(Reg) - 235% (25Jy80) Nova Scotte/Province of 15%% Ln Stk 2011 - 2728% % (203)80) Petroleos Mexicanos 14%% Lir Stk 2006 -Portugal(Rep of)9% Ln Sik 2010(Reg) -

SpainfiGingdom of) 11%% Lin Blk 2010(Reg) = 296% Sweden(Kingdom of)9%% Lin Sik 2014(Reg) - 282% % 13.5% Ln Stk 2010(Rog) - 2111% Trivided & Tobago(Republic of) 12%% Lit 36. 2009(Heg) - 289 (23Jy90)

United Mexican States 15%% Ln St. 2008(Red) - \$107% (20Jy90) Banks and Discount Companies

Sec 83/93 - 232% 3%

21044 (25)900)

No. of bergains included 1862 Australia & New Zeeland Banking Gp New SA1(50% PUBRICE 50% DIV TRI 30/9/90) - 130 (23Jy90) Barciava PLCADR (4:1) - \$29.29 Barcieve Bank PLC71/4% Une Cap Ln Stk 86/91 - 292% (25.)/90) 8%% Une Cap Ln Stk 86/98 - 286% % 12% Line Can Ln Sik 2010 - 297% 16% Una Cap Ln Sik 2002/07 - 2117% Kyowa Bank LdShs of Com Sik Y50 -Y1114,37 % Lordbard North Central PLC5% Curs 2nd Michaeld Bank PLC7%% Subord Una Lit

10%% Subord Urus Ln Stik \$3/96 -

14% Subord Una Ln Stk 2002/07 -

Booker PLCADR (4:1) - \$31 % (24Jy90) Buots Co PLCADR (2-1) - \$10.6 74% Una Ln Sik 88/03 - 262 Endon PLG6%% Uns Ln 8tk 2002/07 -7%% Um La 8tk 2002/07 - 285 (23Jy90) British Airweys PLGADR (10:1) - 437.246738 ¼ .275 British-American Tobecco Co Ld5% Cum Ptf Stk 21 - 39 (25Jy90) 6% 2nd Cum Pri Stk 21 - 49 (24)/90) British Shoe Corp Hidgs PLC7% Ung Lin 38k 85/90 - 1395 (204)/90) British Steel PLCONT 500 - 139 9 % 40 40 .14 % % .829 1 1 % % .458 2 2 % 3 3 % ADR (10:1) - \$25.624146@ %@ British Sugar PLG 10%% Red Deb 8tk 2013 - 288% (24Jy90) Brown & Jackson PLC 10,75% Care Com Prf 21 - 88 % 9 Brown(John) PLC5%% Sec La Sik 2008 -255% (25Jy90) Burzi PLC7% Cnv Una Ln Sik 95/97 — Burndone Investments PLC 15% Una Liv Stk 2007/12 - 295 (20Jy90) Burton Group PLC8% Cnv Lins La Sik 1996/2001 - 258 9%

CRH PLC7% "A" Cum Pri Inti - 80.55

Cadbury Schwepper PLC8X% Une Ln Sik

CRT Group PLCOrd 10p - 107 8 10

94/2004 - 271 (23Jy90)

Caird Group PLC7p Curs Cnv Red Prf 2009 100 - 145 % 6 (25.1v90) Canadian Overs Pack Industr LdCom Nov Cerning(W.) PLC71/4" Une Ln Stk 88/93 276 (20Jy90) Cerclo Engineering Group PLC10%% Curit Red Prf 21 - 88 Cariton Communications PLCADR (2:1) -13.62 \$ 15% % Cateroffer Inc She of Com Stk \$1 -\$51%**•** Contraway Trust PLC 11% Cum Prf 21 -80 (23Jy90)

Channel Tunnel Investments PLC50 - 68 (25Jy90) Charter Consolidated PLC2p(Br) (Con 52) - 458 (23Jy90) Chenning Group PLC4.9% Cum Prf £1 -40 (20Jy90) Church(Cheries)Developments PLC9.879% Cum Red Pri 21 - 42 Cityvision PLC8.5%(Net) Cnv Cum Red Prf 21 - 185 70 Clyde Blowers PLCOrd 25p - 295 (25Jy90)

Costs Patons PLC41/96 Une Ln Stk 2002/07 - \$45 (24Jy90) 5%% Urs Ln 3tk 2002/07 - 256% (25Jy90) 7%% Uma Lin Silk 90/95 — 278% Costs Viyella PLC4.9% Curt Pri 21 - 40 Cohen(A) & Co PLC NonLY "A" Ord 20p Conder Group PLCOrd 5p - 72 8 Cookson Group PLC7% Pld Ord 50p - 28 TSB Hit Samuel Bank Holding Co PLC8% Une Ln Stk 69/94 - 285 (23Jy90) Cooper (Frederick) PLC6.5p (Net) Cnv Red Cum Pig Pri 10p - 62 Courtmilds PLC7%% Deb Sik 89/94 -

284% (24Jy90) 5%% Uns Ln Stk 94/96 - 270 5%% Une Ln Sit 94/95 - 275% (25.1/90) 7'X% Uns Ln Sik 94'98 - 276% 7 7%% Una La Stk 2000/05 - 200 Courtsuide Costings (Holdings) Ld8%% Uns Ln Stk 90/95 - 288% Counsulds Clothing Brands Ld7%% Cum Pri 9tk 21 - 60 (23Jy90) Cowar,de Groot PLC 10%% Curk Pri 21 75 (20.1y90) Crane Europe Ld5%% Cum Prf Stk £1 -35 (23.ly90) Crode International PLC5.9% Cum Pri £1

- 65 (20Jy90) Crystelate Hidgs PLC8%% Criv Uns Lin Stk 2003 - 276 (25Jy90) Dairy Farm Internetional Hidgs LdOrd \$0.06 - \$1110.05 (28Jy90) Delgety PLC 4.85% Cum Prf £1 - 50 (25Jy90) Dena Ld 9% Uns La 8tk 87/92 - £83 (24Jy90) Davenport Knibwaar PLCOrd 10p - 392 (23Jy90) Debenhams PLC6%% Une Ln Sik 66/91

282 (20Jy90) 7%% Unio Lin 86k 2002/07 — 288 (84)y90) Denoyra PLC6.25% Cum Cnv Red Prf 21 - 117 (23Jy90) Dewhurst PLCOrd 10p - 72 (23Jy90) Dowty Group PLC7% Cnv Cum Red Prf 7% Uns Ln Stk 86/91 - £91 (24Jy90) ECC Group PLCADR (2:1) - \$21.95± (20Jy90) EMC Group PLCOrd Sp - 98 (25Jy90) Electron House PLC 8.5% Cnv Cum Red Pri £1 - 50 (23Jy90) Ellott(8.) PLC7X% Dab Stk 90/95 - 130X

Ells & Everard PLC New Ord 25p - 195 (24.)y90) Bys(Wimbledon) PLCOrd 25p - 960 Empire Stores Group PLC9%% Deb S& 94/99 - 280 (23.)/90) Euro Disneyland S.C.A. Sha FR10 (Depositary Receipts) - 10.05 10.07 10.1 10.15 10.17 10.2 10% Sha FR10 (Br) - \$18 FR98% 9 .1 .4 % European Home Products PLC5%% Cnv Cuts Red Prf 2006/11 E1 - 68 (24.)/90) European Leisure PLC 5.75p (Nat) Criv

Cum Red Pri 25p - 77 8 (23Jy90) Euroturnal PLC/Eurotunnal SA Units (1 EPUC Ord 40p & 1 ESA FR10) (Br) -Units (Sicovam Inscribed) - \$10% FR\$4.8 .9 £ 55 FR\$6 6 £ 58.1 FR\$6.16 Warrants (Sicovam Inscribed) -FR3,427 (23Jy90) Evered PLC 11.25p Cum Red Pri 2005 10p Ex-Lands PLCWarrants to sub for Shs -

24 7 (24.)y90) Extel Group PLC 10%% Cum Prf £1 ~ 89 (20Jy90) Fill Group PLC7.7% Cnv Cum Red Prf 95/99 £1 - 135 Fisher(Albert)Group PLCWarrants To Sub For Ord - 889 ADR (10:1) - \$22 % % ,43 Flaona PLCADR (4:1) - \$271/2 %

Fluor Com Com \$0.825 - £24.520548 (25Jy90) Folios Group PLCOrd 5p - 65 Friendly Hotels PLC4%% Cnv Cum Red Pri E1 - 97 (24Jy90) 5% City Cum Red Pri 21 - 167 70 7% Cnv Cum Red Pri £1 - 98 (25.)/90) GRON (United Kingdom) PLC 10%% Gtd Deb Sitk 90/95 - 290 (23Jy90) General Electric Co PLCADR (1:1) - \$8.52 (24Jy90) 7%% Une Ln Sik 87/92 - £90% (23Jy90) 7%% Uns Lin Stk 88/93 ~ 280 7

General Instrument Corp She of Com Sik

\$1 ~ \$44% %

Gestekner Hidge PLCOrd Cap 25p - 250 (20JyS0) 6%% Une Ln Stk 85/95 50p - 37% 7 K% Uns Ln Stit 85/95 50p - 35 (25.1y90) Golden Vale PLCOrd 1:20.01 - 100.68 p Goodwin PLC Ord 10p - 25 (24Jy90) Grand Metropolitan PLC5% Cum Pri 21 -41 (25Jy90) Great Universal Stores PLC8X% Uns Ln 34 93/95 - 270 Half Engineering(Hidgs)PLC5.58% Cust Prf 21 - 50 (25Jy90) Heims PLC 11% Cum Prf 21 - 90 (25Jy90) Hanover Druce PLC6.75% Cnv Cum Red Prf 21 - 31 6 (23.1y90) Harrie(L.)(Harella) Ld8% Red Cum Prf 21 - 90 (20.1y90) Hawker Siddeley Group PLC7%% Deb 88k 87/92 - £86 Hery & Robertson PLC6% Cure Pri 11 -

Hepworth Capital Finance Ld11.25% Chv Cap Bds 2005 (Reg) = 116 6 Hewitt(J.) & Son(Fenton) PLC 10% Cum Prf 21 - 78 (23.Jy90) Hilledown Hidgs PLCADR(4:1) - \$20% Honds Motor Co Ld She of Com Sik Y50 -Y1682.2166 708% 9.636181 17.29 House of Fracer PLCSX% Una Ln Stk 93/96 - 276 (24Jy90) Hunterprint Group PLC6%% City Cum Red Pri 21 - 25 7 7 30 (24.1y90) BMI PLC7K% Une Ln Sik 85/91 - 290 (24Jy90) 8%% Una Ln Stk 87/82 - 291 %

(20Jy90) Iceland Frozen Foode Hidge PLCCity Cum Red Pri 20p - 95 Morgarorth Morris (Saltaire) Lc17% Non-Cum Pri 50p - 28 (25Jy90) imperial Cold Storage&Supply Co LdOrd R0.26 - 123Jardine Matheson Holdings Ld Ord \$0.25 -SH2.550 Jessups PLC7.5p (Net) Criv Cum Red Pri Johnson & Firth Brown PLC11% Una Lin Stk 33/98 - 282 (23Jy90) Johnson, Matthey PLC8% Chy Cum Prf 21 - 505 (25.)990) 81/4 Mag Deb Stk 85/95 - 2241/ (28Jy90) Johnston Group PLC10% Cum Prf 21 —

Jones & Shipmen PLC4.9% Cum Prf 25b Keppel Corporation LdOrd \$61 -\$57,792088 Kingsley & Forester Group PLC3.85% Cum Prf 21 - 25 (25.ly90) Kymmene CorporationShs FM20 (Unrestricted) - FMB1 2% 3.15 A Lactoroka Group PLC6% Gtd Uns Ln Stk 90/92 - £89 (20Jy90) Laporte PLC8% Dab Stk 93/98 - 276 (25Jy90) Lex Service PLC2nd Ser Wits To Subscribe for 1 Ord - 100 6%% Cum Pri 21 - 48 (24.Jy90)

Liberty PLC6% Cum Pri £1 - 47 (04)4900 Lilly (Eii) & Coetha of Com Stx NPV -Lockheed CorporationSha of Com Sik \$1 London International Group PLCADR (5:1) - \$20.69 Lantho PLCADR (1:1) - \$4% (25J)90) Lookers PLC8% City Cum Red Pri 21 -68 70 (23.1y90) Low(Wm) & Co PLC8.75% Cum Cov Red Prf 21 - 177 Lucas Industries PLC10%% Uns La Stk M & W PLCOrd 10p - 84 (23Jy90) McAlphe(Alfred) PLC9% Cum Prf 21 - 75 Macurity FLC5%% To Cum Red Pri 21 -66 (25Jy90) 6% B Cum Pri 21 - 47 60 McCarthy & Stone PLC7% Onv Line Lin 54k 99/04 - 549 4 7 Magnet Group PLC7.5p (Net) 1st Red Pri 50p - 0.1 1 25 (24Jy90) Manganese Brosse Hides PLC8%% Cum Pri £1 - 55 Manpower PLCADR (10:1) - 613% (25Jy90)

Marks & Spencer PLC7% Cum Pri E1 -

Cutt Red Pri 205 - 68

Macca Leisura Group PLC7.25p (Net) Criv

Medeva PLCWarranta to sub for Ord - \$4 6 (24JV90) 1998/2003 E1 - 97 (20Jy90) Mitsubishi Electric CorporationSha of Com Stk Y50 - Y920.5734 6.533818 Monsanto CoCom Stk \$2 - \$49.43834

Monsanto PLC5% Gtd Ln Stk 92/97 - 286 (25Jy90) Morgan Crucble Co PLC9%% Deb Sik Ord S0.01 - \$8% 96/2000 - 283 (23JyR0) Mount Charlotte investments PLC 10%% 1st Mig Deb Sik 2014 - 285% (25.Jy90) NCR Corp Com Stk \$5 - \$70% (23Jy90) NCR Ld8%% Ged Ln Sek 93/98 - 275 (23Jy90) NMC Group PLC Warrants to sub for Sha

National Medical Enterprises inoShe of Com 50x \$0.05 - \$37% (24Jy90) News International PLC7% 1st Cum Pri 21 - 58 (24Jy90) Normana Group PLC8%% Criv Una Lii Sik 99/04 - 273 (20Jy90) Norsk Data AS Class "8" (Non Vto) NK20 -Northern Engineering Industries PLC11% Cum Prf 21 - 95 (25Jy90) 8%% Une Ln St 88/93 - 285

PFG Hodgson Kenyon Intl PLC 5.75% Cmv Pri 91/2001 10p - 70 4 Paterson Zochonis PLG 10% Cum Prf £1 -87 (25.Jy90) Pavilion Leisure PLCOrd 10p - 22 % 3 4 5 Pecrson PLC5.675% Une Ln Stk 88/93 -6.975% Uns Ln Stk 88/93 - 970 13.829% Uns Ln Stk 2007 - £104%

Piller Electrical PLC71/4% Uns Ln Stk

86/91 - 291 (25Jy90) Pitterd Germar PLC93/% Curn Pri £1 - 60 (24Jy90) Powell Duffryn PLC44% Cum Pri 50p -18 (20Jy90) Quarto Group (nc8.75p(Net) CryCumRedSha of Pid Stk \$0.10 -100 (25Jv90) Queens Most Houses PLC10%% 1st Mig Deb Stk 2020 - £82% (24Jy90) RPH Ld4%% Uns Ln Stk 2004/09 - £30 9% Uns Ln Sik 99/2004 - 273 Racal Electronics PLCADR (2:1) - \$6.9 .82 .96 .98 7 .03 .05 .07 .1 Recal Security Ld8% Une Ln Stk 82/95 -981 2 (25.7/90) 81/1% Une Ln Stk 87/92 - £89%

(24Jy90) Recal Telecom PLCADR(10:1) -\$61.47795 .85294 2% (25Jy90) Rank Organisation PLCADR (1:1) - \$13% (25Jy90) Ranks Hovis McDougail PLC6% Cum \*A\* PH £1 - 50 (20Jy90) 8% Cum "B" Pri £1 - 46 8%% Line Ln Stk 90/94 - 285 (23Jy90) 6%% Uns Ln St. 91/95 - 285 Plansomes PLC8.25p (Net) Out City Pri

12.5p - 88% Retners Group PLCADR (2:1) - \$13 13.27 (25Jy90) Readicut International PLC8%% Use Ln Stk 88/93 - 286 (25Jy90) Recidit & Colman PLC 5% Cum Prf £1 -40 % (25Jy90) Reckit & Colman Capital Finance Ld9.5% Cnv Capital Sds 2005 (25p Pd) (Reg) -48 % 9 9 .05 % % 50 % Record Holdings PLC 10% Cum Red Prf £1 - 81 2 (25Jy90)

Reed international PLC7% Cum Prf £1 -53 (20Jy90) Renold PLC6%% 1st Deb Stk 90/95 - £70 (24Jy90) 8% 1st Osb Sak 81/96 - ESTI Rockware Group PLC7.25% Cay Cum Red 2nd Prf £1 - 87 (25Jy90) 8% Uns Ln 8tk 95/99 - 265 (25Jy90) Rodine PLCADS - \$0% (25Jy90) Rotork PLC9%% Cum Prf £1 - 75 7

(24Jy90) Rugby Group PLC 6% Uns Ln Stk 93/98 -266 (24Jy90) 7 % % Una Lri Sik 93/98 - £72 SD-Scicon PLC6.5% Criv Com Red Prf 21 Warrants to out for Ord - 10 Santchi & Saatchi Ço PLCADR (3:1) --

6% Cmr Uns Ln 9tk 2015 - £32 Sainsbury(J) PLC6%% 1st Mtg Deb Stk 88/93 - 280 (23Jy90) 7%% 1st Mtg Deb Stk 87/92 - 296% 8% Irrd Uns Ln Stk - 265 (25Jy90) Scentronic Hidgs PLC7.25p (Net) One Cum Red Pri 20p - 106 (24Jy90) 5.75% Cnv Cum Red Pri 21 - 195 (23Jy90) Seers PLC7% "A" Cum Pri £1 - 50 7 K% Uns Ln Stk 92/97 - £76 (23Jy90)

Seton Healthcare Group PLCOrd 10p -Shoprite Group Ld Ord 5p - 153 Sidew Group PLC7%% Uns Ln Stk 2003/08 - £50 6 (20Jy90) Simon Engineering PLC9%% Deb Stk 92/97 - £814 Sindal (William) PLC5.625% Onv Cum Red - Pd Si. - 70 (24Jy90) .... Sinday PLC7%% Cum Prf 21 - 60 (24Jv90) Singsby(H.C.)PLCOrd 25p - 485 (20Jy90) Smith (W.H.) Group PLCTB\* Ord 10p -69% 70 1

5%% Red Una Ln Stk - 240 SmithKline Beechar PLCADR (5:1) -\$48.373387 .623379 % SmithKine Beecham PLC/SmithKine ADR Smiths Industries PLC11%% Deb Stk 95/2000 - £90% (23Jy90) Smurff(Jefferson)Group PLC9%% Cnv Uns Ln Nts - 15208 (25Jy90) Stag Furniture Hidgs PLC11% Curs Prf £1 - 84 (23Jy90) Stoddard Selters International PLC4% Cum Prf £1 - 36 (24.jy90) Storehouse PLC9% Crw Uns Ln Stk 1992 Succitie Speakman PLC9%% Red Cum Prf £1 - 80 (28Jy90) Swire(John) & Sons Ld 6.3% Cum Prf £1 -55 (20Jy90)

Symonds Engineering PLC Ord 5p - 35 T & N PLC11%% Mtg Deb Stk 95/2000 -Termac PLC8%% Uns Ln Stk 90/95 - 282 Tate & Lyle PLCADR (4:1) - \$21,4 (28Jy90) 6%% Cum Pri Stk 21 — 48 (25Jy90) 7%% Deb Stk 89/94 — 280 (23Jy90) Taylor Woodrow PLC9%% 1st Mtg Deb

5tk 2014 - 577% Telfos Hidgs PLCWarrants to sub for Ord -117 (25.ly90) Tesco PLC4% Uns Deep Diec Ln Stk 2008 - 241% % % (25.)y90) THORN EMI PLCADR (1:1) - \$12.72 Warrants to sub for Ord - 220 (23Jy90) THINg(Thomas) PLC5-26% Cum Pri 21 -81/2% Una Ln Stk 89/94 - 282 4 Trootide Group PLC111/2% Uns Ln Sik 91/96 - 291% Tomkins PLC Units NJ.Bg Cnv ULS 6p(NIIPd-30/7/90) - 18 8 % % .509 % 759 9 .009 % .509 20 .989 1 2 3

Tootal Group PLC8% Cum Prt 21 - 40 (25.ly90) 7%% Una Ln \$6: 69/94 - 132 Towles PLC"A" Non.V.Ord 10g - 93 Trafalger House PLC7% Uns Deb Stk 21 - 58 (24Jy90) 9% Una Ln Stk 94/99 - 271 9%% Una Ln Stk 2000/05 - 280 (24Jy90) 10%% Una Ln Stk 2001/06 - 280 (24Jy90) Transport Development Group PLC 1235% Uns Ln 5tk 2008 - 297 (24Jy90) Trusthouse Forte PLCWerrents to sub for Ord - 0.9 67 (25.1y90) 6.25% 1st Mtg Deb Stk 85/90 - 296%

7.25% 1st Mtg Deb Stk 86/91 - 291 (24Jy90) 10.5% Mitg Deb Stk 91/96 - 299 90 9.1% Une Ln Stk 95/2000 - 278 Unigete PLC4.7% Cum Prf 21 - 54 5% Uns Ln Stk 91/96 - 265 (20Jy90) 6%% Uns Ln Stk 91/96 - 272 Unitever PLCADR (4:1) - 228.42 \$ 51.22 51 % 51.256 5%% Une Ln 8% 91/2005 - 205 (25.)/90). 8% Uns Ln Sik 91/2006 - 270% 1 % 2%

Union international Co PLC6% Cum Pri S# 21 - 49 7% Cum Pri Stk £1 - 50 2 Unieys Corp Com Stk \$5 - \$11.5465114 United Biscuits(Hidge) PLCS% Deb Stk 83/98 - 279% United Scientific Hidgs PLC5.5% One Cure Non-Vto Red Prf 21 - 43 4 (25Jy90) United Uniform Services PLCOrd 25 -21.2 (23Jy90) Upton & Southern Holdings PLCOrd 25p -15 (23Jy90) Verity Hidgs L47%% Deb Stk 87/92 -283% (25,N90) Vickers PLC5% Cumffax Free To 30p)Prf Stk £1 - 58 (25Jy90) Weddington(John) PLC5.8% Cum Pri £1 -Wagon Industrial Hidgs PLC7.25p (Net) Chy Ptg Prf 100 - 109 (23Jy90) Welker(Thomas) PLCOrd 5p - 40 Warner-Lambert Co Com Six \$1 - £35% Membley PLC7.5% Crey Une Lin Stk 1999 - 281 (20Jy90) Westerly PLC11% Cum Prf 21 - 70 (253)90) Westland Group PLCWerrants to sub for

(DEVL)/SO) Ord - 89 (25Jy90) Scottish Mortgage & Trust PLC6-12% Stepped Int Deb Stk 2026 - 293% % 7%% City Cum Prf 21 - 130 (24Jy90) Scottish National Trust PLG6% Cum Pri 7%% Deb Stk \$7/92 - \$86% (25,1/90) Whiteeroft PLC4.1% Cum Prf 21 - 43 £1 ~ 50 (24Jy90) Wildney PLC8.76% City Cutti Red 2nd Pri 4%% Cum Pri Str - 241 (24Jy90) 2000 €1 = 480 . Securities Trust of Scotland PLC7% Deb Miggins Tespe Appleton (Hidgs) PLC 10% Stat 28/93 - 223 Uns Ln Stk 90/95 - £95 (25Jy90) 12% Deb Six 2013 = 295% (23Jy90) Shires investment PLC Werrants to sub for 10%% Line Lin Sak 90/85 - 298 (241/90) Wilson(Connoby/Hidgs PLC8% Cum Pri 21 Ord - 44 (20Jy90) - 56 (24LNSQ) Sphere Investment Trust PLC5% Cum Pri

10%% Cum 2nd Prf 21 - 65 (24Jy90) Yule Catto & Co PLC 11%% Cum Red Pri

Financial Trusts, Land, etc. No. of bargains included 245 Aetne Malayalan Growth Fund(Cayman)Ld Ballile Gifford Technology FLCWerrants to

sub for Ord - 10 (25Jy90) Bangkok Investments LdPtg Red Prf \$0.01 - \$94 95 (25.1y90) Daily Mail & General Trust PLCOrd 50p -Exploration Co PLCOrd Stk 5p - 190 (24Jy90) F & C Enterprise Trust PLCSer B Warrants to sub for Ord - 3 (20Jy90)

Fidelity Japan OTC and Regional Markets Fund Ld Ord 50.01 - 58% (24)/90) First Debenture Finance PLC11.125% Severally Gtd Deb Stk 2018 - 290% First National Finance Corp PLC10% Subord Une Ln Sak 1982 - 291% (20Ly90) G.T. Chile Growth Fund LdOrd \$0.01 - \$9 Warrants to sub for Ord - \$2%4

Greece Fund LdShe \$0.01 (IDRs to Br) -\$3475 3575 **Guirmess Flight Global Strategy Fd Ptg** Red Pri \$0.01(Globel Equity Fund) -238,3837 (20Jy90) Pag Red Pyl \$0.01(U.K.Fund) - \$23.54 Highcroft Investment Trust PLCOrd 25p -225 (25Jy90) IBI Global Funds Ld Ptg Red Prf \$0.01(Starting Shs) - \$20.66 (20Jy90) Ptg Red Pri \$0.01(Managed Shs) -

S Himelayan Fund NV Ord FLD.01 - \$10% nchcape PLC10%% Uns Ln Stk 90/95 -12%% Uns Ln Stk 93/96 - 296% (25Jy90) Ivory & Stree Atlas Fund-Shs of NPV(Global Capital Portfallo) - \$2.623 She of NPV(Sterling Porticile) - 21.078 Korea-Europe Fund LdShe(IDR to Br) \$0.10 (Cpn 3) - \$3000 (25Jy90) LIT Holdings PLC9,47% Cum Red Pri 21

London & European Group Ld 10%% Uns Ln Stk 1993 - 291 % (20JV90) Visleysia Capital Fund LdOrd \$1 - \$7.65 8.2 (23Jy90) Warrants to sub for Ord - \$0.9 (23Jy90) Mataysian Smaller Cos Fund (Cayman) Ld Ord \$0.01 - 58% Warrants to sub for Ord - \$2% (23Jy90) Manila Fund (Cayman) Ld Ptg Red Pri \$0.01 - \$6% (25Jy90) Mediterranean Fund Ld IDRs (Br) (In

denom of 10 Shat - \$1130 (25Jy90) Mercury International kny Trust Ld Ptg Red Pri 1p (Reserve Fund) - £49.848 Mercury Offshore Sterling TrustShs of NPV(Globel Fund) - 112.89 She of NPV(U.K.Fund) - 130.49 She of NPV(European Fund) - 139.40 She of NPV(Pacific Fund) - 117.80 Mercury Selected Trust Shs NPV Australian Fund(Rag) - \$12.89 (24Jy90) Mezzanine Capital&Inc Tat 2001 PLCInc Shs £1 - 127 (24Jy90)

National Home Loans Hidgs PLCOrd 15p 7.5% Cav Pri 21 - 77 Old Court Currency Fund LdPtg Red Pri \$0.01(Sterling) - £10.08 Oporto Growth Fund Ld Ptg Red Prf \$0.01 (Br) - \$71/4 71/4 7.95 81/4 (23.Jy90) Practical Investment Co PLCOrd 10p -106 (25Jy90) Renaissance Hidgs PLC8.5% Cnv Una Ln SOX 1994 - £90 (25Jy90) Scottish Asian Investment Co LdWarrants to sub for Ptg Shs - \$2% (24Jy90)

Second Market Investment Co PLC2%% Cny Una La Stk 1994 - £110 [23Jy96] Sizm Smaller Companies Fund LdOrd \$0.01 - \$13% Sime Derby BernedSM 0.50 - 82% (24.1490) Smith New Court PLC12% Subord Una La Stk 2001 - 580 (23Jy90) TR Worldwide Strategy Fund SicavSha NPV (North America Fund) - 121.08 (24.)y90) She NPV (Europa Fund) - 205.67

York Trust Group PLC8.5p (Net) Red Com

Alexander & Alexander Services Inc She of

Class C Com Stk \$1 - 211% (23Jy90)

Commercial Union PLC3.5% Cum Red Prf

General Acc Fire&Life Assc Corp PLC

7%% Uns Ln 8th 92/97 - 975%

7% Cum Red Pri £1 - 79

Investment Trusts

to sub for Ord ~ 68

inc Sp - 43 4 (25Jy90)

Deb Stk 2014 - 294 4

- 127%

No. of bargains included 757

7% Una Ln Stk 66/81 - 931

7%% Una Ln Sik 87/92 - 285% 6%

(25Jy60) Guardian RoyalExchange AssurancePLC

Abtrust New Dawn Inv Trust PLCOrd 25p

Warrants to sub for Ord - 54 (25Jy90)

Abtrust New European Inv Trust Pic

Warrants To Sub For Ord - 38 4

(25.ly90) Allience Trust PLC414% Pri 8tk (Cutt) =

American Trust PLC5% Cum Pri Stk -

British Assets Trust PLC"A" 5% Prf

Deb 8tk 2011 - 282% (24Jy90)

British Investment Trust PLC 11,125%

643 (24Jy90) Buillie Gifford Strin Nippon PLC Warrants

Stite(Cum) - £45 (£5Jy90) British Empire Sec & General Trust 10%%

Capital Gearing Trust PLCOrd 25p - 450 Children's Medical Charity Inv Tat

City of Oxford Investment Trust PLCOrd

Danse Investment Trust PLCWis to

Subscribe for 1 Ino & 1 Cap - 55

(25Jy90) Drayton Consolidated Trust PLC2.8%

Curn Prf Stk - £35 (20Jy90) 3.5% Cum Prf Stk - £46 (20Jy90)

5% Cum Prf Sek - £45 (24Jy90)

F.& C. Pacific Investment Trust PLC

Edinburgh Investment Trust PLC11%%

Warrants to sub for Ord - 118 (25Jy90)
Fifth Throgmorton Co PLC7.25% Criv Una
Ln Stk 2003 - 1959

Florning Mercantile inv Trust PLC4X%
Perp Deb Stk - E30 (24Jy90)
Foreign & Col Invest Trust PLC5% Cust
Pvf Stk 21 - 44 (20Jy90)

**Gartmore Value Investments PLCZard** 

Glescow Income Trust PLC Warrants to

aub for Ord - 4 6 (25Jy90) Globe investment Trust PLC11%% Cmv

Govett Strategic by Trust PLC9%% Deb

Hambros Investment Trust PLCS% Cure

Hotspur Investments PLCOrd 21 - 270

Jupiter European Invest Trust PLCOrd

Latin American Investment Trust PLC

Hungarian investment Co LdWarrants to

Leveraged Opportunity Trust PLGZer Opn Crev Uns Ln Stk 96/99 - 283 (24Jy90) Mertin Ind Green Inv Tst PLCOrd 25p - 83

(24Jy90) Minerals Olis&Res Shs Fund Inc\$0.10 --

Montes investment Trust PLC11% Data Sik

Murray Income Trust PLC4.25% Cum Prf

New Guernsey Securities Trust Ld Ord 25p

New Throgmorton Trust(1983) PLC Zero

Northern todays improv Trust PLCOrd 21

Peritos French Investment Trust PLC Sera

(25Jy90) Sers 15 Warrants to sub for Ord - 27

Equities Index Uns Ln S& 2004 - 113%

"A" Warrants to pub for Ont - 35 5

Rights and Issues Inv Trust PLC7%%

Scottleit American Investment Co PLC

Con Deb Stk 1998 - £36%

Cum Prf £1 - 68 (23,1490)

10%% Data Str. 2016 - 283% (20Jy90)

Ums Ln Stk 90/05 - \$498.15 .15

Stk 2017 - 280% % 1 (24Jy90)

Pri Stk £1 - 45 (23Jy90)

25p - 100 (25.ly90)

\$15.84

2012 - \$39%

- 76 (25Jy90)

~ 397 8

21 - 54 (20Jy90)

sub for Ord - \$37 (20Jy90)

Units(Comp 5 Ord& 1 - \$5%

12.34% Deb Six 1995 - 298%

Dividend Pri 10p - 56% 9% % (25Jy90)

Secured Deb Stk 2012 - 931 % (23Jy90)

Warrants to sub for Ord - 8 11 (23Jy90)

Cnv Pri 20p - 43 3 (25J)90)

No. of bargains Included 810

Insurance

21 - 47 (25Jy90)

TSB Gilt Fund LdPtg Red Prf 1p(Class TS\* Ptg Red Prf; - 90.83 (25Jy90) Thai Investment Fund LdPtg Rad Pfd SD.01 - £14.3 Thai Prime Fund Ld Ptg Red Ptf \$0.01 -223.04009 Theiland International Fund Ld Ptg Shs \$0.01 (IDR's to Br) - 222000 22500 Thompson Clive Investments PLCOrd 50p - 127 7 30 (24Jy90) Thornton Pacific Investment Fund SA21 -

£10.98 (23Jy90) 3 PLC7%% 'A' Deb Str 88/92 - £86% 7 71/% "A" Deb Stk 91/94 - 280% 9% "A" Oab Stk 91/94 - 285 (23)/90) 12%% Uns Ln Sik 1992 - 298 (24Jy90) Value & Income Trust PLCWarrants 89/94 to sub for Ord - 12 (20Jy90).

Property Security Inv Trust PLC8% Cum

P:1 £1 - 80 (23Jy90) Regis Property Hidge PLC850% Ged Une Ln Sek 1997 - £76 (23Jy90) Scottish Metropolitan Property PLC10%% 1st Mtg Deb Stk 2016 - 281% (24Jy90)
Sheafbank Property Trust PLC6% Cure
Cnv Prf £1 - 105 (23Jy90)
Shield Group PLC5.84% (Net) Cnv Cum
Red Prf £1 - 38% (24Jy90) Speyhawk PLC9.75% Cum Red Prt 2014 21 - 73 (23.ly90) Trafford Park Estates PLC7%% 1st Mig Ln Sax 89/94 - 283 (20Jy90)

Criv Red Ptf E1 - 92 (24)/90) **Plantations** No. of bargains included 8

Chitington Corporation PLCDtd 25p - 70 (23.ly90) Warrants to sub for Ord - 21 (23.ly90) 9%% Cum Red Pri 21 - 70 (23Jy90) 9% Gny Una Lr. Stk 1999 - 277 RailWays No. of bergains included2

Calgary & Edmonton Railway Co4% Cone Deb StarGtd by C.P.Ltd)2002 - 240 Onterio & Cuebec Railway Co5% Perm Deb Stignt Gid by C.P.) - 230 (24Jy90)

Cum Ptd Sik - 242 (23Lly90) 334% 2nd Deb Sib(Perp) - 225 (25Lly90)

\$5 - \$41,17760 Water No. of bargains included 517 Anglian Water PLC5%% Index-Linked Ln 5tk 2006(5.443%) - \$102% (24Jy90) 5%% I-L LriStk 2008(5.449%)(RA-2/8/90) - £101 % Mid Kent Holdings PLCWarrants to sub for Ord - 30 (25Jy90) Sutton District Water Co PLC6% Deb Stk - £35 (23Jy90) Bristol Waterworks Co3.6%(Finity 5%)Cons Pri Stit - 2375 (20Jy90) Cembridge Water Co9%% Red Deb Stit 92/97 - 289 Coine Valley Water Co26%(Finly 4%)Cons PH 9tk - \$400 650 (24Jy90) 4% Cone Deb Sik (km) - 232 (24,1490) 5% Deb 9% - 230 (24Jv90) East Anglien Water Co3.574(Fmty 5%Cons Ord 8tx - £425 2.6%(Finly 4%)Cons Ptf 5tk - 2426 7% Red Pri 98/98 21 - 250 East Worcestershire Waterworks Co9%% Red Pri Stk 96/97 (Fp/LA-27/7/90) -2394 (23Jv90) Eastbourne Water Co 12%% Red Deb Stk 2004 - 296 (23Jy90) · Essex Water Co4% Perp Deb S& - 229

(20.1y80) 5% Perp Deb Stk - 242 (24.1y80) Mid-Southern Water Co 2.45%(Finly 31/4) Perp Pri Stk - £300 (25.1/80) 3%% Perp Deb Stk - £28 (25.1v90) Newcastle & Gateshead Water Co4% Cons Deb Stk - \$33% (24Jy90) 5% Cons Deb Stk - 242 (24Jy90) North Surrey Water Co 4.9% A Ord Str ... 2400 (20Jy90) 5% Deb Stk - £42 (24.)490) 7% % Red Deb Stk 91/92 - 585%

(20Jy90) Portsmouth Water Co3.5%(Finly 5%)Ord Six - £1400 (24Jy90) South Stationtshire Waterworks Co.4% Perm Deb Stk - £83% (24Jy90) 7%% Red Deb Stk 91/96 - 276 Tendring Hundred Waterworks Co7%%

Red Deb Sik 91/83 - 251 (251)/90)

21 - 45 (23.ly99) TR Trustees Corp PLC 10%% Deb Stk Miscellaneous Warrants No. of bargains included till Throgmorton Trust PLC 12 5/16% Deb Stk Bunkers Trust Intercetional Littlets Rei to Ord She in Herrson PLC - £0.21 Updown investment Co PLCOrd 25p -(23Jy90)

USM Appendix

for Ord - 19 9

Red Prf 10p - 45

Red Pri 50 - 76

10p - 135 8

Ord - 5

(241/90)

No. of bergens included 559

ADG Group PLCOrd 5p - 11

for Ord - 0% (23Jy90) Baris Holdings PLCOrd 10p - 170

Atlantic Resources PLC Warranta to sub-

Beckenham Group PLC Warrants to sub

Corton Beach PLC7.5p (Net) Cnv Cum

Dakota Group PLC Ord M20.25 - 120.35

Gibbs Mew PLC Ord 25p - 277 (25.1/90)

Levercrest PLCOrd 5p - 113 (24Jy90)

Pathlinders Group PLCOrd 5p -4%

City Pri 21 - 25 (25Jy90) SelecTV PLCOrd 1p - 8% (24Jy90)

Savage Group PLC 6.5% (Net) Cum Red

Tullow Oil PLCWarrants to sub for Ord

Vistec Group PLC Ord 1p - 7 % 8 Xtra-Vision PLC Ord 1:20.05 - 120.38

The Third Market Appendix

Leading Leisure PLC New Ord 5p - 14

Atrican Gold PLC Ord 1p - 20.09 0.1

(25Jy90) Ann Street Breweries Co Ld Ord 21 - 25%

(23Jy90) Areenel Football Club Ld Ord £1 - £3550

Dundes Football Club PLC7% Cum Pri 21

- £4 (20Jy90) Eastbourne Waterworks Co.2.6% ktd Pri

Guernsey Gas Light Co LdOrd 21 - 25 Guiton Group LdOrd 10p - 22.35 2.55

La Fliche's Stores Ld Ord £1 - £4

MIM Britannia International Ld Japan

Merrett Hidgs PLC Ord 10p - 20,82

Income & Growth - £1.876 Manchester United Football Club Ld Ord

Newscaper Publishing PLCOrd 1p - 94%

Brown(A.)& Sons PLCOrd 5p - 20.58

(24.jy90) Conister Trust Ld Ord 25p - 99.72

No. of bergains included 82

Rule 535(2) No. of bargains included 31

£5 - £20 (24.ly90)

21 ~ 220

Midland & Scottlish Resources PLCOrd

Great Southern Group PLC6.75p Cum Criv

Cliver Resources PLCWarzente to sub for

(25.ly90) Darby Group PLCOrd 5p - 120

Bedford(Wittern) PLC Ord 5p - 38 (24.ly90)

Unit Trusts No. of bargains included 28

2015 - 284% %

2010 - 225%

430 (25Jy90)

M.A. G. European Dividend Funding Units - 53.2 Accum: Units -54.7 M.& G.Gold & General Funding Units -39.3 (23Jy90) M.& Q. International Income Fundinc Units -70.1

Mines - Miscellaneous No. of burgains included 171 Amaigameted Financial lave PLCShs 1p -Bisichi Mining PLC 10p - 28 8 (25Jy90) El Oro Mining&Exploration Co PLC Ord 100 - 376 80 5 (24Jy90) Europa Minerals Group PLC Ord 2p = 50 5 Warrants to sub for Ord - 3 Waverley Mining Finance PLC Warrants to sub for Ord - 7 (24Jy90) Zambla Consolidated Copper Mines Ld & Ord K10 - 50 (201490)

Mines - South African No. of bargains included 50 Barnato Exploration LdOrd R0.01 - 30 Johannesburg Cons Invest Co LdR0.10 -E7.15 % (25Jy90) Lebowa Pietinum Mines LdOrd R0.01 -115 (20Jy90) Lindum Reels Gold Mining Co Ld Ord RG.01 - 20 (23Jy90) Trans-Natal Cost Corp LdR0.50 - 130 (23J)90) Gold Mining Co Ld Octions to sub for Dfd - 14 (20Jy90)

British Patroleum Co PLC8% Cum 1st Prf 9% Cum 2nd Pri 21 - 71 (25.1y90) Burnish Oil PLC6% Cum 2nd Pri 21 -52% (23.1y90) 7%% Cum Red Pri 21 - 61 8% Cum Prf 21 - 64 (25./y90) LASMO PLC10%% Deb Stk 2009 - 204% Sheli Transport&TracingCo PLCOrd She (Br) 25p (Cpn 184) - 485 (24.ly90) Texaco International Financial Corp 8% Stig/S Chr Gtd Ln Stk 61/99 - 2125

Oil No. of bargains included 1929

Property No. of bargains included 491 Alfied London Properties PLC 10%% 1st Mtg Deb Sik 2026 - 281% (25Jy90) Alinati London Properties PLC9%% 1st Mtg Deb Stk 96/2001 - E79 (25Jy90) Britaina Estate PLC9.50% 1st Mtg Deb Stk 2026 - 574% 10%% 1st Mity Deb Sik 2012 - £86

(24Jy90) 11.75% 1st Mig Dab Stk 2018 - £92% (23Jy90) Capital & Counties PLC9%% 1st May Deb Stk 2027 - 279 % (25Jy90) Charlwood Alliance Hidgs Ld7%% Une Ln Sck 50p - 25 (23Jy90) City Sate Estates PLC5-25% Cnv Cum Red PH 21 - 64 47 Dares Estates PLC7.75% Onv Cum Red Pri 21 - 56 7 8 60 8% Uns La 5tk 92/97 - 973 Greenhaven Securities Ld71/4% Una Lh Stk 91/96 - £78% (23Jy90) Greycoat PLC9%% Cum Red Prf 2014 £1 - 74 (24Jy90)

Hammerson Prop Inv&Dev Corp PLCOrd 25p - 715 Land Securities PLC6% 1st Mig Deb Sox 88-93 - 1227 (23Jy)(0) 7%% 1st Mtg Deb Stk 91/96 - 277% 9% 1st Mtg Deb Stk 96/2001 - 278% 9 6%% Uns Ln Stk 92/97 - 273 8%% Uns Ln Stk 92/97 - £80 London & Ecinburgh Trust PLC8%% 1st Cum Red Pri 2013 21 - 74% (25Jy90) London County Free. & Leas. Propild

64% 1st Mig Deb Stk 86/95 - 274 (25Jy9C) MEPC PLC9%% 1st Mtg Deb Stk 97/2002 - £82% 3% (23Jy90) 10%% 1st Mtg Deb S& 2024 - £87% 12% 1st Mtc Deb 5tk 2017 - 296%

(23JyS0) 8% Uns Ln St 2000/05 - 268 (25JyS0) 10%% Uma Ln St 2032 - 178% McKay Securities PLCCap 20p - 136 Mertin International Properties LdCum Red Cov Pri 21 - 10 (25Jy90) Metropolitan Riy Surplus Lands Cold 6%% 1st Mig Deb Stk 86/91 - £95 (20Jy90) Peel Midgs PLC10% Ours Pri, 50p - 34 5

(23.)y90) 5.25% (Net) Criv Cum Non-Vig Prf £1 -91/4% 1st Mtg Deb Stk 2011 - 277% %

9% 1st Mtg Deb Stk 91/96 - 278 Westminster & Country Props PLCS% Une Wyndham Group PLC9.375% (Net) Cum

Shipping No. of bergains included 235 Bergesen d-y AS'A' Vig Sha NK2.5 -NK215 6.35 "B" Non Vtg Ste NK2.5 - NK215.85 NFC PLCVer Vtg Ord 5p - 136 .3835 % 7 Peninsular & Oriental Steam New Co5%

Utilities No. of bergains included 15 American Information Tech. Corp.She of \*Com Stk \$1 - \$59 (24Jy90) CESC Ld Equity Ru10 = 40 Castornia Energy Co Inc She of Com Site \$0.0675 - \$9% (20Jy90) GTE CorporationShe of Com Stk \$0.05 -\$26% (20Jy90) Jersey Electricity Co Ld"A" Ord £1 - 90 800 (25Jy90) Manchester Ship Canal Co5% Perp Prf 21 - £18% (23Jy90) 4% Perp Deb Sek - £30 Pacific Gas & Electric CoShs of Com Sale

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North West Exploration PLCOrd 20p - 17 7 (25Jy90) Paramount PLCOrd 2.50 - 20.18 Park Estates (Liverpool) Ld21 - 23.44 Rangers Football Club PLCOm 21 - 680 Shapherd Neame PLC'A' Ord £1 - 25.65 Sun Oil Britain LdOil Royalty Stk Units 1p - 20.55 Suzion Harbour Improvement CoOrd 25p - £3% (20Jy90) Theraises(Denie)& Co PLCOrd 25p -22.35 (25.ly80) Transatiantic Hidgs PLCOrd 50p - 23%

United Friendly Insurance PLCOrd 10p -E3.8 (24.N90) Westsbix Ld"A" Non-Y Ord 250 - 25.6 5.6 5.95 6% Yates Bros Wine Lodges PLC Ord 25p -22420 2460

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Beach Petroleum ASO.045 (23.7)
Boral Ord Sik 152 (25.7)
Cape Range Olf ASO.17,0.171,0.18 (23.7)
City Developments SS3 8
Cons. Modderfonteins R2.2
Conwest Exp Class 'B' CS14.59 Dainippon Screen Manufacturing Y1860.59 Email Ord Stk A53,42756,3.43616 (20.7) Enterprise Gold Mines ASO.03935,0.04934 (23.7) Harland (John H7 Co \$12,800 (25.7) Highweld Steel & Vacadison R1632 Kern Corp A\$0,85,0.65293 (20.7) Kerr Addison Mines 8250 (24.7)

Keystone International \$27749
Kulim Malaysia Ord (Malay Ord) 409
Malaysian Plantations M\$1,36602 (23.7) National Electronics (Consolicated) 412, 512
Ninglal Mining ASZ,0336 (20.7)
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Indices'

#### LONDON STOCK EXCHANGE

# Firmer pound helps depress equities

FIRM pound was added to the list of bearish pressures yesterday on a UK stockmarket still suffering from the effects of this week's batch of alarming corporate profits reports. Share prices rallied from an early setback but turned down again later and by the close the FT-SE Index was struggling to bold on another important support level. Trading volume was no better although once again there was support for a few special situation stocks.

The weakness in equities contrasted with a firm session in UK Government bonds which responded readily to the gain in sterling on reports that the Opec meeting in Geneva

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ant Deathogat Jul 20	Aug 3	Aug 17
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price for oil, implying a boost for Britain's North Sea earn-Government bonds opened

firmly and extended their gains later as the pound made progress. By the middle of the session, gains on the longer Government issues ranged to a full point in places. Prices shaded off at the close, leaving the Treasury 9 per cent of 2008 with a net gain of & for a yield of 10.83 per cent. Bouities traded a nervously

erratic pattern, plunging sharply in early trading in the face of overnight weakness in Tokyo and, to a lesser extent, in New York equities. Then the market staged a recovery as Lloyds Bank increased the dividend payment, a welcome change from the shocks delivered this week from the corporate sector. A rally in ICI from early weakness also helped

equities. London went into the lunchtime trading lull with a loss of

only four Footsie points. However, the mood turned apprehensive ahead of Wall Street's opening, in part because of nervousness in the BAT Industries share price; BAT had fallen beavily in early trade after a ruling by a New Jersey Court that existing cigarette health warnings did not protect tobacco companies against personal injury claims.

Worries about Wall Street, soon confirmed by a fall of 9.16 points in the Dow Industrial Average in London hours, spread across the UK market. BAT shares close above the worst but ICI, also a Wall Street favourite, fell away again in London.

sector to the agreement by

OPEC ministers on a \$21 a bar-

rel reference price for OPEC

production and the new output

20 cents to \$19.35 a barrel, hav-

ing been as high as \$19.65 ear-

at Smith New Court described

the new agreement as "the

strongest for two years; OPEC

discipline, with the implicit

Shell, unsettled by the more

bearish stance adopted by

Kleinwort Benson and concern

over figures from Shell Oil.

expected late yesterday, ran

back 5 to 474p on 4.1m. BP

gave up 2 to 336%p on turn-

Pilkington, one of the world's leading glass manufac-

turing specialists, came under

heavy selling pressure after

hints that Cazenove, the com-

pany's joint broker, had low-

ered its profits forecast for the

group from £290m to £260m

FT-A All-Share Index

**Equity Shares Traded** 

Tumover by volume (million)

over of 4.1m shares.

Iraqi threat in the background.

is likely to be much better."

Mr Stove Turner, oil analyst

lier in the session.

September Brent added some

ceiling of 22.5m barrel a day.

At the close, the FT-SE Index was 14 points down at 2,330.1, threatening another important resistance level. Mr Robin Aspinall of Hoare Govett said: "If 2,300 is clearly breached, a fall as far as 2,200 is on the cards"

The Footsie Index has lost 70 points this week as both domestic and transatlantic factors have turned sour. The first blow came on Monday when Wall Street suddenly collapsed. Concern in the London market increased as Reuters. Reed International and, finally ICI, regarded by many investors as the barometer of the UK market, turned in disappointing profits reports.

firmer yesterday at 193p. to 14.15 per cent. BET stock was sold as profits were taken after Thursday's

annual meeting. At this gathering, a leading analyst detected a note of caution over prospects for the group and thought it possible that some optimistic estimates of profits for the current period may need to be scaled back. The shares ended 7 down at 254p.

Scottish & Newcastle assumed prominence, rising 7 to 357p in the wake of some sizeable trades on the Interdealer broker screens. One securities house was noticeably bidding for stock but was reluctant to pay too higher prices. Grand Metropolitan recovered some of the ground lost earlier over the past few sessions, helped by speculation that disposal of the Express Dairy milk division could be announced shortly. GrandMet shares finished 3 higher on the day but 31 down over the five

days at 640p. Interim results from Lloyds Bank were described by Mr Robert Law, of Shearson Lehman Hutton, as "likely to be the pick of the sector." He said the interim dividend was "encouragingly good." Lloyds Bank shares, which dealer said had been helped by the better than expected 16 per cent hike in the dividend, settled a penny better at 2990.

Lloyds Bank's life assurance associate, Lloyds Abbey Life proved a minor disappointment to the market. Mr Youssef Ziai at UBS Phillips & Drew said the group's pre-tax profits were higher than expected but he labelled the same again interim dividend "disappointing: the shares look set to consolidate." Lloyds Abbey closed 2 cheaper

at 3440. Saltire Insurance Investments jumped 5 to 73p after an announcement that the group



4.97 10.95 11.07

21,391 801.52 21,092 445.1

21,758 865,99 21,032 342,4

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11 am 1842.1

4.96 10.93 11,10

23,956 329.5

TIMES STOCK INDICES

12.13

37,465

Day's Low 1839.5

3 pm

1843.4

FINANCIAL

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10 am 1842.2

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Ordinary Share

FT-SE 100 Shere

Ord. Div. Yield

Earning Yid %(tull) P/E Ratio(Net)(会)

SEAO Bargna 4,45pm

Equity Turnover(Em)†

9 am

1841.5

Equity Bargainst

Open 1845.1

was holding discussions with London Wall Holdings, which may lead to a merger. Dixons fell 4 to 142p after Mr

Nick Bubb at Morgan Stanley reduced his profit forecast to £71m from £83m, excluding the £10m windfall surplus from its produce insurance. Mr Bubb said the recent cautious statement on interest rates by Mr John Major, the Chancellor of the Exchequer, had caused him

to reduce his forecast. Boots remained a firm market after the recent positive annual general meeting. The shares closed 2 better at 298p. Storehouse gained 2 to 133p on US investment support with

5.9m shares changing hands. Tate & Lyle fell 7 to 282p on investor unease after an announcement that Mr Larry Cunningham, the chief executive of Staley, its US cereal sweeteners and starches operation, had left the group. Siebe pulled out of the up at 484p. Just before business closed the company announced that the US regulatory authorities had approved the purchase of Foxboro of the

recent steep decline to settle 9

volume for prost Alpha securities dealt through the SEAQ system yesterday until 4 30pm.

But the decision by the Secretary of State to refer the proposed acquisition by Trelleborg AB of McKechnie's extruded products subsidiary to the Monopolies & Mergers Commission stunned both the company and the market. The news left shares of McKecknie down 9 at

Hill & Smith, the steel fabricator and stockholders, weakened 7 further 138p on the lower interim profits, while a poor first-half trading statement knocked 7 off Sycamore Holdings at 180p. Airsprung responded to Thursday's positive annual meeting with a gain of 5 to 110p.

Fears of a profits warning at Thorn - EMI prove unfounded

and the shares, hit earlier in the week by a profits downgrading by BZW, rallied to close 12 higher at 720p. David S Smith remained at 328p with analysts forecasting

profits of around £30m for the current year, and a range of £35m to £45m for 1991/92: The loss of Nintendo distribution rights from the end of the year unsettled Serif Cowells, down 12 at 66p. A line of 4.3m Wessex Water

shares on the Seaq overnight ticker caused a flurry of anxiety in dealing rooms before the trade was revealed as being incorrect; it should have been 425,000 shares. Wessex settled 2 off at 225p.

Speyhawk eased 9 to 254p as at least 100,000 shares continued to overhang the market. Other market statistics.

including the FT-Actuaries Share Index, and London Traded Options, Page 9.

# Big trades Willis Faber

series of unusually large trades in Willis Paber flashed up on the Seaq ticker in mid-afternoon, giving rise to speculation that a sizeable stake in the insurance broker had changed hands. Specialists quickly assumed that a near 5 per cent holding in Willis, held by US insurance broker Johnson & Higgins, had been placed in the market

Observers said the Johnson stake had been placed by Cazenove, the stockbroker, at 245p a share, a premium of some 7p a share to the then ruling price. Cazenove declined to comment. The stock was sold within minutes, to various institutions, although the bulk said to have been sold to Tokyo Fire & Marine, the Japanese insurance group which has long-standing ties with Willis. The market had expected Johnson & Higgins to sell its

stake in Willis which, at the beginning of last month, surprised the insurance world and the market by announcing a 11bn merger with Corroon & Black another of the big US insurance brokers. Willis shares ended the day 9 higher at 245p, with turnover, boosted by the mid-afternoon

share placing, which accounted

for 23.6m shares, totalling 24m.

Enterprise down

The new Trade and Industry Secretary, Mr Peter Lilley, was partly responsible for a sharp decline in shares of Enterprise Oil. The shares fell steeply after the minister's written reply to a Parliamentary question had suggested that the UK Government intends to take a tougher stance against foreign state-controlled companies making acquisitions in the UK. Eif, the French oil company

in which the French Government has 51 per cent stake, has a near-25 per cent stake in Enterprise Oil, and the market has long expected the French company to launch a bid for the rest of the company. ICI, the UK chemicals group, also has a near 25 per cent holding

in Enterprise. Speculation that ICI will sell its stake on to Elf, or possibly place the shares in the market, has been rife in London for many months, although recently specialists have taken the view that ICI will retain its

holding for the time being. Enterprise shares tumbled to 647p at one point early yesterday, and were said to have been additionally upset by a broker's sell recommendation. but they later rallied to close a

# Chemicals FT-A index relative to the FT-A At-Share index

The chemical sector began to outperform the rest of the market in February after ICI produced its full year results. Good first quarter profits, announced in April, widened the gap still further. But after the fall in second quarter profits at ICI the chemical sector has begun to lose its lustre.

net 14 off at 661p. Turnover reached L2m, well up on usual levels for the stock.

BAT setback

The tobacco stocks followed BAT Industries lower after a preliminary ruling in a US product liability case that health warnings on cigarette packets do not protect the manufacturers from legal action. The action had been brought against BAT's US tobacco division.

US tobacco stocks had fallen on the court decision and led to their UK equivalents being marked lower. Sterling's strength against the US dollar also contributed to the weak-

Although the ruling did not follow the pattern of previous decisions, analysts stressed that so far there had been no findings of liability against BAT. According to a BAT spokesman, the company was considering asking the US Supreme Federal Court to review the decision.

Many analysts said they believed the market had overreacted to the news and thought BAT would quickly stabilise. BAT closed 15 lower at 595p, while Rothmans "R" ended 14 off at 810p. British Steel and Davy Corporation pursued divergent trends following the respective annual meetings yesterday. British Steel shares were bought heavily again - volume amounted to 8.2m - after the chairman told shareholders that the company's objective

was to pursue a "progressive dividend policy" even if profits should be reduced as a result of a short-term fall in steel demand. He also said "there are signs that the UK economy is not going into recession." The shares rose to 142p before closing only slightly dearer on balance at 140%p. Davy resumed the recent easier trend when shareholders

were reminded that current year results will be adversely affected by the substantial additional interest costs on the Emerald Field contract. "The final outcome for the year depends greatly upon the completion of the contract in accordance with current estimates." warned the chairman. Davy shares, 250p before last month's interim figures, lost 6 200

Specialists were surprised at the lack of response by the oil

MET HOME (43). BRITISH PUNDS (9) BREWERS (1) BUILDINGS (2) STORES (2) ELECTRICALE (4) ENGINEERING (1) FOODS (6) RIDUSTRUKLS (6) Airspring, Bimec Indu., Diploma, Hundelgh Tech., LEISUME (2) PAPERS (2) TRUSTS (6) WATER (1) OLS NEW LOWS (66). AMERICANS (13) CANADIANS (4) MAJECS (8) CHEMICALS (1) ELECTRICALS (2)

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**NEW HIGHS AND LOWS FOR 1990** (17) Aukett Assocs., BSG intl., CMB
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Gobein, Sycamore, INSURANCE (2) LESSURE
(2) MOTORS (1) NEWSPAPERS (1) PAPERS
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TRADERS (1) MINES (3) THERE MARKET

rises and falls On Friday On the week Rises Falls Same Rises Falls Same Corps. Dom. & Foreign Bonds .... Financial and Props ....

1,824 2,939 3,826 7,824

firmed. Analysts from other investment houses have recently been cutting their expectations for Pilkington after a cautious statement from the group earlier this month. At the close Pilkington shares were 7 lower at 194p. Turnover expanded to 8.4m shares, including a cross of 1.5m shares early in the ses-

although this was not con-

Jun

Recent speculation of a possible bid for BAA was dented by the announcement "afterhours" on Thursday of the Bermuda-based ADT reducing its holding from 9 per cent to 8.2 per cent. Removal of the speculative froth in the BAA share price brought a close of 14 lower on the day at 451p. ADT meanwhile has increased its holding in Lep Group, slightly

#### LEADERS AND LAGGARDS

Percentage changes since December 29 1989 based on Thursday July 26 1990

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od Retailing +	12.75	Capital Goods		
kaging & Paper +	9.10	Health & Household Products		
wers and Distillers +	5.06	Investment Trusts	-	
urance(Life)+	2.18	Food Manufacturing	-	
<b>***</b> +	2.05	Telephone Networks	-	
ter +	1.43	Textiles		
dineering-General+	1.40	Contracting, Construction	-	
tals & Metal Forming +	1.10	Financial Group	-	
nsport +	D.67	Electronics		
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ustrial Group	3.49	Property	-	1
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encies	4,44	Gold Mines Index	-	

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BENCHMARK GOVERNMENT BONDS

Technical Data/ATLAS Price Source

#### COMMODITIES

#### WEEK IN THE MARKETS

# Aluminium at 7½-month high

INDUSTRIAL RELATIONS remained the dominant influence on the London Metal Exchange this week. A Peruvian miners' strike lifted copper values and helped to prop up the basically weak zinc and lead markets; a brief smelter strike in Canada helped to boost aluminium prices; and nickel slipped back following the ending of a protracted stoppage in New Caledonia.

Despite Thursday's settlement of the labour contract dispute at Alcan Aluminium's 270,00 tonnes-a-year Kitimat smelter, where workers had walked of the job three days earlier, aluminium put in the strongest performance, with the uptrend accelerating yesterday. By the close of the afternoon ring cash metal was quoted at a 7%-month high \$1,672 a tonne, up \$73.50 on the day and \$116 on the week.

Yesterday's rise was encouraged by the announcement of a 5,150-tonne fall in LME warehouse stocks to 158,025 tonnes, which wiped out a 4,350-tonne rise announced on Tuesday. However, concern about nearby supplies does not appear to be the main force behind the present upsurge. When that is the case the cash position moves to a premium over three months metal, but yesterday it was still trading at a discount of \$22 a tonne to three months, down from \$31.50 a tonne a week earlier. Longer term considerations appear to be driving the aiuminium market at the moment and many analyst believe that the price of the metal has been too low for some time. In a

recent report the Anthony Bird consultancy group said aluminium's competitive position against copper, steel and plas-tics was better than for most of the last decade and that it should hang on to a competitive edge even when its prices recovered. It suggested that the current deficit of primary output against consumption would widen to 600,000 tonnes in 1992.

"The general rate of increase in (primary aluminium production) capacity is well below what will be needed to satisfy growing demand and to provide for the retirement of older smelters." Bird added. In the meantime analysts point to the possibility of fur-

ther output disruption resulting from North American labour contract negotiations in the second half of this year. Copper's strong performance this week had more to do with near term concerns, as is evidenced by a widening in the cash premium over three months. The cash position's £74.50 rise this week took it to £1,567.50 a tonne at last night's close, while the three months quotation rose £65.50 on the week to £1,535 a tonne. After a modest early fall the prices were boosted in midweek by news that Australia's Olympic Dam mine was to be shut for two weeks following explosion and the announcement on Tuesday of a smaller-than-expected 6,225-

LME WAREHOUSE STOCKS (Ae et Thuradey's close) -5.150 to 158,025 + 17,225 to 84,97% ~ 275 to 42,900 -850 to 6,360

+1,775 to 41,050

+116 to 11,406

tonne rise in LME stocks.

Another bullish factor was nervousness about the possibility of a strike at Minero Peru where labour talks were in progress. The talks broke down on Thursday and most workers at the state minerals company. which runs the country's biggest copper and zinc refineries. downed tools immediately. That news appeared to outweigh yesterday's announcement of a bigger-than-expected 17.225-tonne rise in LME stocks to 84,975 tonnes and the cash price moved £20.50 higher on

The zinc market also

the day.

advanced initially on the Minero Peru news, but its soft tone was quickly reasserted and the cash price closed at \$1,562.50 a tonne, down \$21 on the day and \$10 on the week. However, the cash premium widened to \$40 a tonne from \$31.50 at the end of last week. Lead prices followed a similar pattern as buying interest dried up following early gains. The cash price closed at £457 a tonne, down £3 on the day and £11.50 on the week.

The nickel market beld steady on Monday, despite news of the ending of the 4-week strike at Societe le Nickel in New Caledonia. Dealers explained that there was still concern that furnaces might have suffered damage during the stoppage. But the market then went into a relatively gentle decline and the cash position ended \$500 down

on the week at \$9,500 a tonne. The gold market clambered into a alightly higher trading range this week, with the help of renewed Middle Eastern buying interest. The price reached \$372.50 a troy ounce on Wednesday but alipped back to close \$6.25 up on the week at \$367.50 a tonne. Traders said the earlier rise appeared to have reflected short-covering rather than fresh buying.

# Senior post at Taylor Woodrow



Mr John McKenna (pictured) has been appointed a joint deputy managing director of TAYLOR WOODROW CONSTRUCTION. He has also been appointed managing director of two Taylor Woodrow Construction subsidiary companies. Taymech and Taymel. He joined the board of TWC in 1987 and has played a major role in the establishment and success of the management contracting company, of which be is chairman.

■ Mr George Duncan has been appointed a non-executive director of CALOR GROUP, He is chairman of ASW Holdings, Whessoe, and Household Mortgage Corporation, and a non-executive director of BET. ABP and Laporte.

■ Mr Peter Townsend has been appointed executive manager for Heritage Park. Richard Mooney Sheffield, NORWICH UNION's

second head office site. He was branch manager Birmingham, and before that managing director of Ilios Greek Insurance Company. Norwich Union's Greek subsidiary. He takes up his new post on August 30.

Mr Philip Dayer has joined ANZ MERCHANT BANK to take responsibility for corporate finance and development capital. He was responsible for corporate finance at Citicorp Scrimgeour Vickers, and

prior to that a director of corporate finance Barclays de Zoete Wedd. Mr Dayer takes over from Mr Don de Groot who remains a director of corporate finance.

J.H. MINET REINSURANCE BROKERS has appointed Mr Andy Pytches as company secretary. He also becomes company secretary of Minet Reinsurance Brokers International. Ms Jan Smith has been

marketing at TSB BANK. She was marketing director at Midland Bank - first direct. ■ Mr Jlm Foulds (pictured) has CHEMICAL ioined the INDUSTRIES ASSOCIATION

appointed director of network

as director of employment affairs, succeeding Mr Kenneth Hack who retires at the end of the year. Mr Foulds was group personnel

director at DRG, a Pembridge Investments company.

#### More posts for Peter Walker Mr Peter Walker, the

APPOINTMENTS

Conservative MP and former cabinet minister, has been appointed a non-executive director at TATE & LYLE, the sweeteners group, and DC GARDNER GROUP, the training and placement company. Last week, he joined the board of DALGETY, the food and agribusiness group, writes Clay Harris,

Tate also named Mr Doug Lapins president and chief executive officer of Staley, its US cereal, sweeteners and starch company, replacing Mr Larry Cunningham, who leaves the group and Tate's main board. Tate said the change was intended to replace marketing expertise with manufacturing experience. Mr Tom Chandler, manufacturing vice president of Redpath Sugars, Tate's Canadian subsidiary, takes over from Mr Lapins as president and chief executive officer of Western Sugars, its Colorado-based beet-refining company.

**CAPITAL HOUSE**, investment management arm of The Royal Bank of Scotland, has appointed Mr Rupert Tyer a director of Capital House Management Services, and Mr David Lis a director of Capital House Asset Management.

**AIM COMMUNICATIONS,** part of the AIM Holdings Group, has made Mr Keith Gale its managing director. He was formerly financial director at Asset Technology.

Mr Peter Elston, who joined the group in 1978, has been appointed managing director of HENRY BOOT MANAGEMENT. He was the director responsible for Henry Boot Fast Track, and the

management contracting activities of Henry Boot Northern. These are being merged with Henry Boot

Management. ■ Mr Ramonn McNamara has been apppointed sales director of UPONOR, Leeds (formerly IMI Yorkshire Imperial Plastics). He was national sales manager, building products.

**Mr James Tuckey, managing** director, MEPC, becomes a director of ABBEY NATIONAL from September 1.

Mr Alan Weaver has been appointed managing director of NU-WAY, Droitwich, a Wolseley group subsidiary.

#### Minster Trust



Mr Doug Sarchett (pictured) has been appointed a director of MINSTER TRUST with specific responsibility for the development and marketing of investment management services. He was with Gartmore Investment Management for many years, where he was investment director as well as chairman of both the pension fund and investment trust operations.

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	TRUSTS

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# WORLD STOCK MARKETS

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#### **WORLD STOCK MARKETS**

**AMERICA** 

# Dow declines on disappointing GNP data

Wall Street

US STOCK prices dipped in moderate trading yesterday morning as the markets reacted cautiously to lowerthan-expected gross national product (GNP) figures, writes Martin Dickson in New York. At 2 pm the Dow Jones Industrial Average stood at 2,899,01 down 21.78, after opening flat and trading about 12 points lower during the morning. Volume was a moderate 89m shares and declining

ones by 849 to 496. The decline, which was led by consumer stocks, came in spite of stronger-than-expected carnings figures from Boeing and strength in oil stocks on news of the Opec accord.

stocks outnumbered advancing

The provisional figures for second-quarter GNP showed growth of only 1.2 per cent, against the 1.8 per cont widely expected by economists, while

Cinal sales fell at an annual rate of 1.8 per cent. Figures for inflation were in line with market expectations but the growth in the economy stemmed in considerable measure from a build-up in inventories, and economists said this would mean a drag on expansion in the second half of the

The statistics gave a fillip to the bond market, because they were viewed as increasing the pressure on the Federal Reserve to ease interest rates. At lunchtime the benchmark long Treasury bond was up !! at 1024 for a yield of 8.502 per

But the bond market's buoyant mood did not follow through into equities, where the GNP numbers increased concern about the outlook for company profits later in the year. This follows warnings by several large companies in different sectors this week that the outlook for later this year

is for softer sales and lower profits. Boeing, however, rose \$1 1/2 to 359% after reporting strongerthan-expected results late on Thursday. Its net income

nearly doubled on the strength of its commercial aircraft operations, although the company painted 3 gloomy outlook for its defence-related busi-Among oil companies, Exxon was up \$1% at \$50 on the Opec accord, while Mobil rose \$% to

\$65%. Among other blue chips, IBM was off \$% at \$112%. Technology stocks have been extremely volatile all week following mixed trading reports. Among consumer stocks. Wal-Mart, the retailing chain was off \$1 at \$31%. The GNP figures showed final sales -GNP minus inventories - fall-

ing at a 1.8 per cent annual

Walt Disney dropped sharply

rate, a figure that would have been worse had government

\$80%, up \$%.

Canada

WEAKER-THAN-expected gross national product figures in the US drove Toronto stocks

to \$117%, down \$3%, following

its third-quarter figures,

which, in spite of a 23 per cent

rise in net income, were at the

their decline following Thurs-

day's ruling in the New Jersey

Supreme Court that warnings

on cigarette packets do not

protect tobacco companies

from product liability lawsuits.

The decision opens the door for

a review of the issue by the US

Supreme Court. Philip Morris

mixed, with Merck at \$89%, off

\$%, but Eli Lilley bounced

back from Thursday's news

that it faced a second suit over

its popular new anti-depressant

Pharmaceutical stocks were

was \$14 casier at \$161/4.

Tobacco stocks continued

low end of expectations.

down by midsession yesterday. Real estate and construction shares dropped sharply. reflecting Canada's plunging housing market. The composite index lost 7.5

to 3,535.8 on volume of 9.5m shares. Declines led advances by 221 to 206. Media shares, battered by a sharp drop in second quarter earnings, fell further. Among media stocks hit by falling advertising revenues Thomson eased C\$% to C\$14%, Maclean Hunter lost C\$% to C\$9% and

Southam fell by C\$% to

**SOUTH AFRICA** 

drug, Prozac. Its stock stood at GOLD SHARES fell in Johannesburg, Vaal Reefs lost R4 to R290 but recovered from R288. De Beers fell RL75 to R95 as support from the \$5bn Soviet deal faded. The JSB Gold index fell 22 to 1,564 and the overall index 17 to 3.136.

**ASIA PACIFIC** 

# Nikkei falls below 31,000 on renewed rate fears

SHARE PRICES nosedived yesterday as renewed interest rate fears and a combination of negative news triggered a widespread sell-off on the market. The Nikkei average fell below the psychologically important 31,000 mark for the first time since early May, while the market recorded its first series of six consecutive losses for nearly four years, writes Michiyo Nakamoto in Tokyo. Following Thursday's fall, the market opened sharply

lower and the Nikkei average tumbled below 31,000 in the first 30 minutes of trading. After plunging to an intraday low of 30,377.95, the index recovered part of its losses but still ended down 506.27 at 30,863.48, a drop of 4.9 per cent on the week. The day's high was at 31,341.40.

Declines at 800 eclipsed advances at 179, while 148 issues were unchanged, and turnover rose to 450m shares from 330m. The Topix index of all listed shares lost 31.94 to 2,249.26. In London, the ISE/ Nikkei 50 index fell 9.86 to 1,661.67.

Remarks on Thursday by Mr Yasushi Mieno, Governor of the Bank of Japan, suggesting that the central bank would maintain its tight monetary policy, rekindled fears of higher interest rates. This prompted early selling on both the cash and futures bond markets and a sharp fall in equi-

A newspaper report that a leading bank had compensated a major client for losses incurred in the stock market crash of 1987 further soured market sentiment. This followed reports on Thursday that more than 10 securities firms had compensated favoured clients for losses during the crash and could be charged by the tax authorities.

The yen fell again, battered by instability on Japanese financial markets, and NTT's drop below the psychologically important Ylm level to a record low of Y996,000 also unnerved investors. It later closed unchanged at YIm. The drop in NTT's share

price prompted Mr Ryutaro

Hashimoto, the Finance Minis-

would recover to a more healthy level. The Government hopes to sell another batch of NTT shares to the public. Heavy futures selling in the morning coupled with arbitrage liquidation also knocked

ter, to express publicly the hope that NTT's share price

the market, bringing back memories of the collapse earlier this year. There was almost continous arbitrage liquidation in the morning until the futures index had lost almost its maximum daily amount. The Nikkei index futures September contract yesterday suffered a sharp 700 point loss.

"The bearishness in the futures market was translated into the cash market and that bearishness is not over yet," said Mr Graham Biggart at Schroder Securities. Financial issues, hurt by the

interest rate environment and the scandals of the past two days, were lower. Mitsui Taiyo Kobe Bank lost Y90 to Y2.020 and Sumitomo Bank fell Y120 to Y2,150. However, Yamaichi Securities rose Y30 to Y1,150. Amid the gloom, some heavily traded issues rose. Nippon Steel was supported by bargain-hunting and topped the actives list with 13.1m

shares, adding Y4 to Y515. In Osaka broad-based selling took the OSE average down 617.76 to 34,847.32. Volume rose to 32m shares from 22m.

Roundup

THE SHARPEST fall yesterday was in New Zealand, although most Pacific Rim markets were slightly better.

NEW ZEALAND fell sharply as declines in Tokyo and Sydney worried the market after a steady opening. The mood also remained subdued after Tuesday's budget. The Barclays index fell 21.18 to 1,820.12, for a 3.7 per cent retreat on the week. Turnover was moderate at NZ\$23m compared with Thursday's NZ\$14m.

"The direction of the New Zealand market at present is influenced by corporate earnings and interest rate moves. Market perceptions about the outlook of these factors are becoming more negative, so we are cautious about the outlook for the market, but the October

election outcome remains a potential wildcard," says Fay, Richwhite, the New Zealand securities house. AUSTRALIA edged above its

day's lows after falling on the news of a higher-than-expected A\$1.57bn current account deficit for June. Falls in overseas markets and in the gold price also depressed sentiment The All Ordinaries index ended 12.9 lower at 1,577.9, a decline over the week of 1.5 per cent. Volume was boosted by

options-related trading to

A\$368m, up from the previous

day's A\$146m. SEOUL fell to another year's low on economic and political worries, with the composite index down 3.67 points on the day and 3.1 per cent on the week at 673.16. Trading was thin at Won68.5bn, compared with Won56.6bn on Thursday. Intervention by the market sta-

billsation fund lifted shares off their lows. HONG KONG saw turnover alip below HK\$2bn for the first time in two weeks as shares ended mixed. The Hang Seng index fell about 36 points in early trading as investors took

profits, before bargain-hunting helped the index close 2.21 up at 3,485.80, a fall on the week of 1.5 per cent. Turnover was HK\$1.89bn, down from Thursday's HK\$2.03bn TAIWAN rose to its best level for more than a month. The weighted index added 146.75 to 5,402.64 - a rise on the week of 4 per cent. Con-

structions, which had lagged behind, led gains. Turnover was T\$78bn, up from T\$68bn. MANILA moved higher on rumours that Gregorio Honasan, the rebel leader, was negotiating his surrender. The composite index rose 8.92 to 924.57, up 4.7 per cent on the week.

SINGAPORE recovered from early Tokyo-inspired losses to close higher. The Straits Times Industrial index rose 7.41 to 1,565.49, little changed on the week. KUALA LUMPUR ended barely changed overall, but Mycom continued to advance on rumours that Hong Leong Group's Quek Leng Chan would join the board. It added M\$1.70 to M\$6.70 with 4.3m shares traded. **BOMBAY** hit its third record

in a row, with the BSE index gaining 25.03 to 1,033.15.

CANADIANS

886 106 \$1.32 \$25 4% \$1.10

# International funds flow back to Zurich

spending not risen.

William Cochrane on a revival in the Swiss stock market after prolonged weakness

FTER more than three vears of relative weakness within Europe, the Zurich bourse had moved up by 15 per cent from its spring lows, before the past two weeks' profit-taking and nervousness about the gyrations on Wall Street.

International investors made all the difference in May, moving into the country's top 20 international corporations, which give it world-class representation in the banking. insurance, chemical, food and engineering industries.

Analysts like the market. "Despite summer doldrums in other markets, volumes continue to be buoyant in Swiss equities." said Mr Jonathan Dicker and Mr Tom Atkinson of Citicorp in London. They were sanguine about share prospects although they acknowledged the scope for profit-taking which now existed.

Barciays de Zoete Wedd, the London broker, is similarly inclined. In its Continental European Strategy published on July 12, it was cautious about most continental European markets, but still had a

CHEMICAL stocks were weak

across Europe yesterday fol-

lowing poor first-half figures

from ICI in the UK on Thurs-

day. In Italy, the Ferruzzi

group remained suspended.

the resignation of four Chris-

tian Democrat cabinet minis-

ters over amendments to a broadcasting bill. Demand for

banking, insurance and tele-

communications stocks countered selling pressure in the

Fiat group and Mr Carlo de

between Montedison and Fer-

ruzzi Agricola, confirmed after

the market closed, also sup-

ported prices. Ferruzzi group

shares remained suspended,

sharply reducing overall trad-

ing activity. The Comit index

eased 0.45 to 729.68, a drop of

FRANKFURT eased in quiet

trading, with the chemical sec-

tor leading the declines. Posi-

tion-squaring before the week-

end and the month-end also led

to some selling. The FAZ

index, calculated at midses-

sion, fell 7.32 to 817.00, down

1.2 per cent on the week, while

the DAX index fell 13.08 to

NATIONAL AND

2.2 per cent on the week.

The widely expected merger

Benedetti's company shares.

writes Our Markets Staff.

EUROPE

**Switzerland** FT~A index relative to the Swiss Franc against the FT-A Europe Index D-Mark (DM per 100 SFr) Reverse yield gap (%)

soft spot for Switzerland: "Despite the good run, we would remain overweight." Switzerland's ability to gain analytical and institutional support, while a parallel surge in the French market petered out into a short-term flirtation with foreign investors, may allow it to emerge fully from a prolonged period of neglect: within the FT-Actuaries World Indices, Switzerland had underperformed the rest of Europe for more than three

1,919.81, off 1.5 per cent on the

week. Volume fell to DM5.5bn

eased DM3.50 to DM272.10,

Bayer was off DM4.40 at

DM283.70 and Hoechst edged

the insurance sector. Allianz

declared a DM4 100th-anniver-

sary bonus dividend for 1989 on

top of an unchanged DM12 div-

idend. The stock fell DM18 to

est trading, with oil and chemi-

cal stocks featuring among the

most active stocks or the big-

gest fallers. The CAC 40 index

fell through the 1,970 support

level to 1,965.79, down 18.58,

although it ended above its

day's low of 1,956.01. The index

The news that Meeschaert-

Rousselle, the brokers, would

make a loss for the first six

months after losing FFr78.5m

last year exacerbated the mar-

dropped FFr31 to FFr677 and

Elf Aquitaine lost FFr11 to

FFr686 with 144,400 shares

from ICI continued to weigh on

THURSDAY JULY 26 1990

The disappointing results

In the oil sector, Total

ket's nervous mood.

fell 3.2 per cent on the week.

PARIS eased again in mod-

Among chemicals, BASF

from DM6.7bn

This, in turn, reflected rising inflation, matched and then outpaced by domestic interest rates. High yields in the domestic bond market were a disincentive to equity investment; this was the more so in a hard-currency, almost Teutonic market which prefers that equity and bond yields do not get too far apart: the 2 to 21/2 per cent reverse yield gap fairly common in the first six years of the 1980s was what the domestic investor found attrac-

Rhône-Poulenc's certificates,

which fell another FFr17.50 to

FFr427.50, after losing FFr14.90

The statistics office's report

ZURICH declined in quiet

trading, with chemical stocks

extending the previous day's

losses. The Crédit Suisse index

slipped 3.6 to 656.1, a fall on the

week of 3 per cent. Sandoz

bearers and registered shares

lost SFr175, to SFr10,975 and

SFr20 to SFr8,360 after Philip

Morris of the US said that it

would not alter the time or

price of its takeover bid for the

Swiss coffee and chocolate

group following Bank Vonto-

bel's report recommending the

by declines on other markets

and the dollar's continued

weakness. The CBS Tendency

index fell 0.7 to 119.6, down 2.5

per cent on the week. Akzo,

which kicks off the interim

shed Fl 1.30 to Fl 114.50.

reporting season on August 2,

WEDNESDAY JULY 25 1990

AMSTERDAM was depressed

Jacobs Suchard bearers fell

SFr10,575 respectively.

rejection of the offer.

that motor and transport sec-

tors faced difficulties ahead

to FFr699 in active trading.

the previous day.

Mr David Thwaites, a European economist currently in passage between Citicorp and Laing & Cruickshank, said for Citicorp in mid-June that the process of accelerating Swiss inflation and rising interest rates was over. The jump in 1989-90 had

taken inflation to a historically high level. "Part of this process," said Mr Thwaites, "can be attributed to artificial factors (in particular high mortgages and rents) but, under pressure from a booming economy, the underlying inflation position worsened as well." In common with other Euro-

pean central banks, he

observed, the Swiss National

Bank (SNB) had eased mone-

tary policy immediately after

the stock exchange crash of October 1987, to support the financial markets. "This process," he said, "was not reversed until mid-1988." By the time the SNB tightened up again, it was faced with economic overheating. which forced the authorities progressively to tighten policy even further, and three-month

interest rates soared, from

under 2 per cent early in 1988

to 9 per cent at the end of 1989. The vicious circle in which higher interest rates designed to tighten up the economy kicked inflation up, via rises in mortgages and rents at the end of the economic cycle, is now over, according to Mr Thwaites. "This spring interest rates . . . started to fall and inflation is at its peak." he

T f anything, the picture has

improved over the past

I month or so. "The peak inflation rate expectation was 6 to 7 per cent earlier this year." he added (on July 12). Since then, weak oil prices had fed through to import prices and May's actual inflation rate, which will probably be the peak, was 5.1 per cent.
"Originally, it was hoped that the inflation rate would be down to maybe 4 or 4% per cent by the end of this year," he added. "Now, the year-end hope is 3 to 31/2 per cent." In addition, he noted the strength of the Swiss franc this year after an unhappy 1987-89; foreign investors, with an eye on their overall returns, may

do likewise.

# Chemical shares weaken across Continent

Opec ministers agreed to new output quotas. The all-share index rose 4.14 to 646.95, up 1.3 per cent on the week. Norsk Hydro added NKr4 to NKr207. STOCKHOLM was revived by a rally in Ericsson. Its free shares added SKr20 to

prices for North Sea oil after

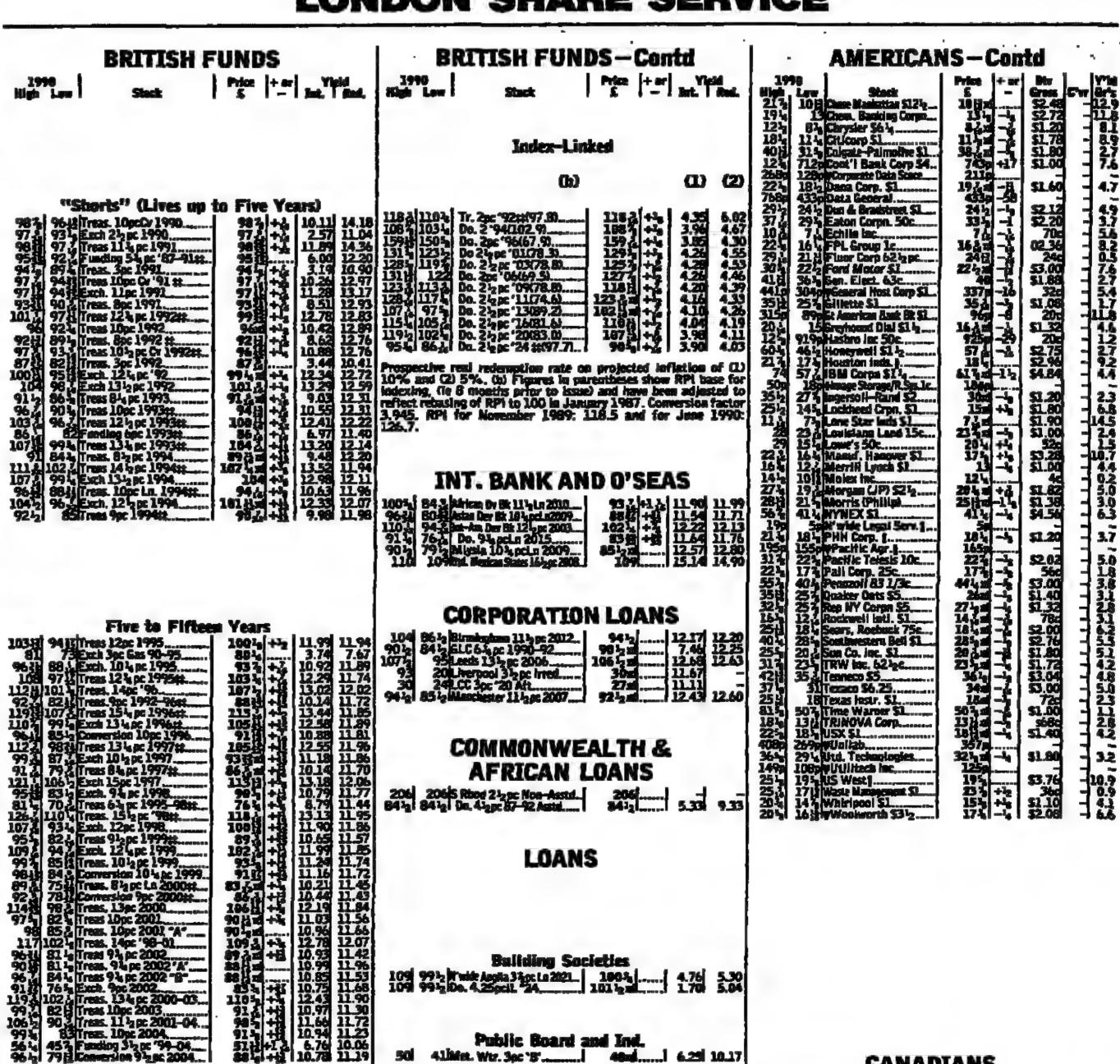
SKr1,320 after a week of declines tied to expiring options. The Affärsvärlden General index edged up 1.4 to 1.310.7, for a fall on the week of 0.7 per cent. MADRID declined again in

thin trading as Wall Street weakened, with the general index losing 3.00 to 296.33, a fall on the week of 2.9 per cent. COPENBAGEN was little changed, but Danisco continued to advance, adding DKr15 to DKr1,000. It is said to have been strong since a foreign broker's buy recommendation. ISTANBUL hit its sixth

all-time high in succession, with the index up 53.84 at 4,986.84, after briefly passing the 5,000 level, in turnover of TL120.8bn. The index gained 12.7 per cent on the week. NICOSIA reached its 14th successive weekly record high, with the index up 13.3 or 4.9 OSLO was boosted by higher per cent at 282.3.

DOLLAR MOEX

#### LONDON SHARE SERVICE



FOREIGN BONDS & RAILS

2 (4.00 2.75 (3.57 1383+13 15.00 12.52



Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change	Pound Sterling Index	Yen Index	DM Index	Local Currency index	Local % chg on day	Gross Div, Yield	US Dollar Index	Pound Sterling Index	Yen	DM Index	Local Cerrency Index	1980 High	1990 Low	Year ago (approx)
Australia (80)	147.12	-0.7	120.27	139.91	124.10	125.30	-0.1	5.58	148.12	121.10	139.37	124,53	125.42	158.31	125.85	
Austria (19)	279.43	-0.2	228.44	265.75	235.71	235.68	-0.1	1.23	280.08	228.97	263.53	235.46	235.98	285.63	193,15	128.06
Belgium (61)	159.40	+0.7	130,31	151.58	134.45	131.49	+1.0	4.40	158,29	129.41	148.92	133.07	130.18	160.02	132,11	133.76
Canada (119)	139.54	-0.3	114.07	132.69	117.70	116.40	-0.3	3.48	139.96	114.42	131.58	117,86	116.75	158.61	130.37	149.29
Denmark (33)	274.63	+0.4	224.52	261.18	231.66	230.18	+0.2	1.25	273.57	223.85	257.41	229.98	229.87	274.83	236.69	214.91
Finland (26)	134.33	-0.6	109.82	127.76	113.31	107.20	-0.7	2.55	135.15	110.49	127.17	113.62	107.94	152.29	129.99	143.91
France (124)	160,65	-1.0	131.33	152.77	135.50	136.96	-0.8	2.99	162,25	132.65	152.85	136.39	138.01	168.85	141.89	130.91
West Germany (92)	142.00	+0.0	116.09	135.06	119.78	119.78	+0.3	1.88	141.99	116.08	133.61	119.36	119,36	142.33	122.05	97.68
Hong Kong (48)	144.93	-1.1	118.48	137.83	122.26	144,41	-1.1	4.37	146,53	119.79	137.87	123.19	146.00	147.49	112,24	104.23
Ireland (17)	187.37	-0.7	153.18	178.19	158.05	159.91	-0.6	2.74	168.69	154.26	177.54	158.63	160.84	198.57	172.72	156.99
Italy (96)	106.59	+0.5	87.14	101.36	89.91	94.51	+0.8	2.49	108.08	86.72	99.80	89.17	<b>93.76</b>	109.26	91,85	83.00
Japan (454)	143.88	-24	117.63	136.84	121.39	136.84	-1.3	0.82	147.35	120.46	138.64	123.89	138.64	197.28	124.40	189.19
Meiaysia (35)	249,70	-0.2	204.14	237.46	210.63	260.33	-0.2	2.08	250.17	204.52	235.38	210.31	260,77	250.89	204.15	188.22
Mexico (13)	561.41	+1.7	458.97	533.91	473.57	1764.72	+1.7	0.29	555.06	453.78	<b>522.26</b>	466.62	1744.78	561.41	324.53	270.15
Netherland (43)	146.74	-0.9	119.47	138.98	123.28	121.96	-0.5	4.63	147.41	120.51	138.70	123.93	122,59	147.41	130.43	128.58
New Zealand (17)	67.33	+0.0	55.06	64.04	56.80	60.94	+1.0	7.20	<b>67_31</b>	55.03	63.34	56.59	80.37	75.86	59.57	68,80
Norway (23)	255.02	+0.1	208,49	242.53	215.12	216.25	-0.1	1.47	254.87	208.36	239.B1	214.28	216.38	255.02	202,34	184.20
Singapore (25)	207.38	+0.4	169.54	197.23	174.93	173.98	+0.4	2.07	206.55	168.86	194.34	173.63	173.23	209.24	179.70	167,57
	189.09	-0.5	154.58	179,82	159.50	161.14	-0.6	3.80	190.23	155.52	178.99	159.92	162,12	251.39	170.00	148.59
South Africa (60)	180.05	-1.0	147.20	171.23	151.88	135.72	-0.7	4.05	181,88	148.59	171.13	152.90	136,68	182.25	132.84	153.31
Spain (42)	228.15	+0.0	186.52	216.98	192.45	199.27	+0.0	2.03	228,14	186.51	214.88	191.79	199.34	232,74	173.89	183.02
Sweden (34)	106.25	-0.7	86.87	101.06	89.64	90.71	-0.3	2.28	107.03	87.50	100.71	89.99	91,01	109.77	88.75	89.54
United Kingdom (303)	171.82	-0.8	140.47	163.39	144.93	140.47	-0.8	4.85	173.13	141.54	162.89	145.54	141.54	176.18	139.87	156.71
USA (539)	143.56	-0.4	117,36	138.53	121.10	143.56	-0.4	3.39	144.14	117.84	135.62	121.18	144.14	148.95	130.61	139.10
		_				128.67	-0.3	3.57	155.92	127.47	146.71	131.09	129.10	156.66	135.57	130,18
Europe (961)	155.13	- 0.5	126.83	147.54	130.87	179.22	+0.0	1.69	217,85	178.10	204.98	183.15	179.16	218.32	185.01	174.82
Nordic (116)	218.14	+0.1	178.33	207.45	184.01	136.43	-1.2	0.94	147.21	120.35	138.51	123.76	138.12	192.75	124.63	184.19
Pacific Basin (659)	143.94	-22	117.87	136.89	121.42 125.58	134.01	-0.9	2.08	151.15	123.57	142.21	127.06	135,16	174.18	130.35	162.69
Euro - Pacific (1840)	148.88	-1.5	121.72	141.58	120.83	141.76	-0.4	3.39	143.79	117.55	135.30	120.90	142.33	148.43	131.02	139.61
North America (658)	143.22	-0.4	117.08	136.22		121.17	-0.1	2.74	143.98	117.71	135.50	121.07	121.25	143.98	124.81	113.45
Europe Ex. UK (678)	143.49	-0.3	117.30	136.48	121.06	128.12	-0.3	4.80	144.68	118.28	136.16	121.65	128.54	146.72	122.53	124.35
Pacific Ex. Japan (205)		-0.7	117.50	136.70	121.25		-0.8	2.12	151.39	123.77	142.46	127.28	135.22	173.77	131.30	
World Ex. US (1832)	149.20	-1.4	121.98	141,91	125.86	136.75	-0.7	2.28	145,22	118.72	136.64	122.09	137.68	162.00	130.80	152.47
World Ex. UK (2068)	143.57	-1.1	117.37	136.55	121.12	136.75	-0.7 -0.7	2.54	147.43	120.53	138.73	123.95	137.86	161.84	131.95	152.87
World Ex. So. Al. (2311)	145,81	-1.1	119.21	138.68	123.01 125.43	137.37	-0.4	3.52	149.34	122.09	140.53	125.57	137.87	151.50	134.62	135.67
World Ex. Japan (1917)	148.67	- 0.5	121_54	141.40												
The World Index (2371)		-1.1	119.42	138.93	123.23		-0.7	2.55	147,69	120.74	138_97	124.17	138.02	162.05	132.25	152.84
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#### LONDON SHARE SERVICE

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# FINANCIALTIMES

Weekend July 28/July 29 1990



# merger with Ferruzzi agreed

By Haig Simonian in Milan MONTEDISON, the leading Italian chemicals concern, is merging with Ferruzzi Agricola Finanziaria (FAF), the agro-industrial holding company of the Ferruzzi group, to create one of the biggest industrial

conglomerates in Italy. The new entity will form a plastics to soya-beans empire with estimated sales of almost L15,000bn (£6.97bn) a year and net earnings of almost L1.000bp.

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The merger will also remove one layer in the complex structure of the Ferruzzi group of companies, which includes chemicals, sugar and pharmaceuticals among its main activities, and lead to direct control of Montedison through Ferruzzi Finanziaria (Ferfin), rather than through FAF as at present.

Describing the merger as "a response with the latest technology to new challenges." Mr Raul Gardini, Ferruzzi's chairman, defended the industrial logic of the deal, which had been expected for some time in one form or another.

Linking the cyclical chemicals business with Ferruzzi's more stable cash-generating agro-industrial interests would produce a much stronger entity, according to Mr Giuseppe Garofano, Montedison's managing director. FAF already owns 48.7 per cent of

Montedison's shares. Mr Gardini had been widely expected to merge FAF and Ferfin, but this had never been considered, according to Mr Garofano. To bring about the operation, FAF will raise the nominal value of its shares to L1.000 from L800 at present. followed by a bonus issue of three new FAF shares for every seven already held.

That will allow an effective one-to-one exchange of FAF shares for those of Montedison. which will be incorporated into FAF. The new entity will then change its name to Montedison and retain the group's present

Milan headquarters. At yesterday's closing prices on the Milan stock exchange, the conversion rate would marginally benefit Montedison shareholders. However, Mr Garofano weighed up their [build positive links between L100 a share advantage against the 40 per cent dividend increase which would accrue

to FAF shareholders. Although Ferfin will end up with only 33 per cent of the retain control.

FRANKFURT (Dm)

# Montedison Lloyds warns of depression in banking as bad debts hit profits

By David Barchard

THE UK domestic banking market is undergoing its most severe depression since 1982, Lloyds, the smallest of the "Big Four" clearing banks, said yes-

Provisions against bad debts in the UK wiped £190m from Lloyds' pre-tax profits for the half-year ending in June, which reached only £408m, well below market expecta-

Sir Jeremy Morse, chairman, said that Lloyds had seen the warning signs for the UK economy a year ago when it began to put aside large amounts in provisions against domestic debts. As a result, it had actually improved its capital strength in spite of growing pressures on its core business in the UK and the need to make heavy provisions last year against Third World debt. Despite this, profits from personal customer and small business banking in the UK -Lloyds' main business area fell by 27 per cent to £202m while bad debt provisions went

up sharply. Lloyds has put aside provisions of £114m on its retail customer business, more than

double last year's figure. Its balance sheet has also been hit by a series of UK corporate failures including the collapse of British & Commonwealth. These forced it to put away a further £51m in provisions compared with only £1m a year ago.



Sir Jeremy Morse: Lloyds saw warning signs for the UK economy a year ago.

duce charges on its cards.

Sir Jeremy said that Lloyds now considered it was well covered against bad debts in the UK and abroad. This year Lloyds, which has now made provisions covering 73 per cent of its high risk debt in the Third World, put aside only a relatively modest £66m against unpaid interest from debtor

countries. Two chinks of light showed

through amid a generally dis-Income from credit cards was £43m, up from £29m a year card operations after it became debit card, which is free. the first large bank to intro-

#### couraging performance in the UK. One was the return to profit of Black Horse Estate Agencies. These made £4.8m. compared with a loss of £5.9m a year ago. The other was an improved performance by Lloyds' credit

#### ago. But it had been achieved at a high cost. Lloyds admitted vesterday that it had lost more than 800,000 Access credit card customers by introducing its £12 annual charge, though it claims that many of them have simply switched to its Visa Lloyds disappoints City, Page 8

# Labour draws up business rates policy

By Alison Smith

A PACKAGE of incentives for councils to encourage businesses, together with a system of rebates for small companies. are planned by the Labour Party under its proposals to abolish the uniform business rate if it wins the next election. Under the plans, which would return control over the setting of business rates to local authorities. Labour would introduce safeguards to prevent steep annual increases. such as those imposed by some councils in the past. The policy, agreed this week

by the party's national executive committee, is intended to local authorities and busi-

Labour MPs who have been working on the plans believe that they will meet both the criticisms of the uniform businew grouping. Mr Garofano ness rate expressed by Mr John said that would be adequate to Banham, the director-general of the CBL that "it reflects nei-

..... 315 - 1

ther the ability to pay nor the level and quality of the local services businesses receive." The safeguards against excessive annual increases would apply once the amounts to be raised from the new domestic rates and the new business rates were "broadly in balance," one shadow minister said this week. Once that balance had been achieved, the two charges would have to rise

roughly in tandem. This is intended to prevent councils resorting to past practices and raising an everincreasing proportion of their revenue from the local business community rather than spreading the burden more evenly between business and their constituents.

The incentive for local authorities to encourage business, Labour believes, would come partly from the abolition of the uniform business rate itself. It would help simply to

end the arrangement under which each local authority's share of the central pool of business rates is determined on a per head basis, and no account is taken of the amount of business revenue from each area, Labour says.

The reforms of central gov-

ernment grant arrangements should add to the effect. Under the previous grant arrangements, the equalisation grant, which acted as a cross-subsidy between authorities, was distributed through a system based on rateable values. If business grew and rateable values increased, the authority's benefit in increased revenue was matched by a corresponding reduction in grant. The new grant distribution

system would take account of personal incomes as well as rateable values, so local authorities themselves would see some financial benefit from having more successful busi-

nesses in their area. This could have a particular impact on the poorer London boroughs. The plans also include a rebate system for small businesses, probably based on profitability or turnover. An additional criterion, recognising the social benefit from businesses, such as the general shop in a housing estate or village, may also be considered.

Though Labour does not expect the change to the new system to produce as damaging an effect on businesses as the change to the unified business rate combined with the revaluation, it would still provide transitional rebates to help businesses which faced significant increases.

There have already been some informal soundings of members of the business community. More formal consultation is due after the policy has been approved by the party conference in the autumn.

# Lloyds feels the cost of lending

If Lloyds Bank's interim results are any guide, one of the big worries overhanging the UK clearing banks has been overdone. Underlying profits before bad debt provisions are up by 4 per cent; and yet the dividend has been raised by 16 per cent, which is probably twice as fast as the market average over the com-

Admittedly, the group is extremely profitable. But its capital ratios are still noticeably weaker than they were a couple of years ago, and weaker than the competition's are now. Such a generous dividend increase at a time when Lloyds' domestic bad debts are rising rapidly is a remarkably confident gesture.

Unlike the rest of the sector, Lloyds has not tapped its shareholders for funds since 1975; so its management presumably knows what it is doing. On the bad debt front. the news is less reassuring. Domestic provisions of £190m are more than three times bigger than those of a year ago, which in turn were twice as big as the year before that. Strip out the presumably riskfree £6.7bn mortgage book and the cost of Lloyds' provisions is equivalent to an annualised 1.4 per cent, compared with 1 per cent in the 1982 recession.

Maybe Lloyds is just being over-conservative; but one shudders to think what the provisions would look like if the UK really went into a

The other highlight of the results is the sharp slowdown in the growth of operating income from 21 per cent to 8 per cent. This is below the rate of inflation and explains why the clearers are under such pressure to contain their double-digit cost growth. There is no sign of any slowdown in the rate of decline in domestic net interest margins, reflecting the growing competition in UK retail banking; and there must be a limit to how much longer this can be offset by improvement in international margins.

That said. Lloyds' ability to rebuild its capital ratios is impressive and the benefit of the Lloyds-Abbey Life connection is becoming increasingly apparent. It deserves its premium rating to the sector.

Markets

The contrasts in the UK equity market have rarely been more marked. On the one hand, the shares of household names such as Reuters, BTR, RTZ and ICI are savaged when they turn in disappointing FT Index fell 9.4 to 1,842.1

Share prices relative to the FT-A All-Share Index

70 MILLY XVI.

earnings or when their profits are downgraded. But the market still stubbornly refuses to accept that these specific events carry any more general message about the health of the UK economy. In the US, at least, vesterday's weak second-quarter gross national product figures help explain why so many US companies have been reporting such dismal earnings.

1989

UK investors are still taking some comfort from a strong exchange rate, the relative cheapness of UK earnings and the substantial amount of institutional cash sitting on the sidelines. Longer term, an even stronger pound is far from good news for the corporate sector, and the Chancellor has yet to prove that he can pull off his toughest trick - getting inflation down in time to enter the ERM, without losing the election or killing the corporate sector.

The fact that Opec says its oil should fetch \$21 per barrel does not automatically send the world market price shooting up to that level. On the contrary, it may take five weeks or so, until the first definite indications come in of fourth quarter demand for Opec output, before it is clear whether a \$21 oil price is achievable in 1990 at all. But even with world stocks at their present high level, now about 300m barrels up on last summer, the odds are increasing non-Communist world will be looking at an Opec price averaging about that figure, which means Brent at about \$22-plus. To be sure, Brent was still trading at only about \$19 yes-

residual scepticism about Opec's new-found unity, and the fact that given current stock levels, there is no short-age yet of oil for physical deliv-

On the first point, it needs to be said that Opec's deliberations appear to have gone sur-prisingly smoothly. Granted, Iraqi tanks squatting on the Kuwaiti border had a great of this Opec meeting does make it look like a milestone on the way to a sustained glut, if Opec can make its 22.5m b/d quota stick, which now seems probable, then all it would need for stocks to start eroding is for fourth quarter 1990 demand for Opec oil to

edge up above 24m b/d. One thing that could derail this would be a US recession. something which looks more likely after this week's bad earnings news from corporate America. But speaking of the world economy, a \$21 Opec oil price could add as much as 1 per cent to 1991 US inflation, never mind that of Germany and Japan.

Ferruzzi

So Mr Raul Gardini and the boys at Mediobanca are at it again, with another reshuffle of the cards in the Ferruzzi pack. The one thing we can presumably be sure of is that Mr Gardini rather than his public shareholders will be left with the aces. Last night's details of the Ferruzzi Agricola/Montedison merger came as little surprise. With that uncanny accuracy for which Italian stock market rumour is renowned, the gist of it had been all over Milan on Thursday afternoon. What remains obscure, in spite of the burblings about industrial logic, is just what the rationale is this

With luck, this is not a re-

run of the kind of thing seen in 1988, when Mr Gardini came up with the idea of shunting Meta. Montedison's retail and financial services, into his unquoted private company, Ferruzzi Finanziaria. And on the face of it, this week's plan for swapping seven Agricola shares for every 10 Montedison shares is not going to cause the same immediate outrage. But investors are bound to wonder whether the real object of the exercise is a break-up of Montedison. particularly to release its pharmaceutical business. The Gardini interests, which would control about 37 per cent of the new entity, would of course be the chief beneficiaries.

#### Aachener Muench PARIS (FFTs) Brown Boveri ..... 947 Schmalbach ......... 321 Chargeurs ..... Schering ...... 766.5 -NEW YORK (\$) rokyo (Yes) Disney (Walt) ..... 1171<sub>8</sub> — 891<sub>8</sub> — Philip Morris ..... 465<sub>8</sub> — New York prices at 12.30. LONDON (Pence) Kynoch (G&G) ..... 138 Legal&General .... 411

CHIEF PRICE CHANGES YESTERDAY

**WORLDWIDE WEATHER** 

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# IMF's first mission to Moscow brings Soviet membership nearer

By Leyla Boulton in Moscow

unprecedented International Monetary Fund mission to Moscow was hailed by a senior Soviet official yesterday as a first step towards the country's membership of the western world's most powerful financial institution.

Mr Stanislav Asekritov, deputy head of the Government's economic reform commission, said the visit by Mr Michel Camdessus, the IMF's managing director, was "a very good beginning for practical co-operation."

His comments represent a remarkable transformation from traditional Soviet hostility towards the Fund. He also suggested that the Soviet authorities were not flatly opposed to receiving assistance subject to IMF conditions, contrary to previous indications from President Mikhail Gorbachev.

Mr Camdessus, who is expected today to meet Mr Nikolal Ryzhkov, the Prime Minister, arrived in the Soviet Union on Thursday to begin work on a study of the country's economy as the possible basis for largescale western assistance. Mr Camdessus will leave Moscow tions likely to be attached.

on Monday. The report, which also involves the co-operation of the World Bank, the Organisation for Economic Co-operation and Development, and the new European Bank for Reconstruction and Development, was requested by the recent Houston summit of the Group of Seven leading industrialised

nations. Mr Asekritov said the Soviet Union's ultimate goal was to join the IMF so it could benefit from the Washington-based organisation's "wealth of expe-

"Its recommendations to our Polish friends and other countries have been very useful," he said in a telephone interview. "The final decision rests with the Fund but we are ready to join as soon as the. doors open.

Previously, IMF membership has been seen by the Soviet Government as a distant goal, not least because the Fund was always portrayed as the guardian of capitalist economics. Moreover, any suggestion of IMP assistance has been dismissed because of the condi-

The IMF offers balance of payments assistance to member countries in return for sweeping structural adjust-

ments it prescribes. Mr Asekritov said, however, that the removal of "political barriers" put up mainly by the US had now made membership more possible. Moscow would accept economic conditions for aid "as long as they are the same as for everybody else." Mr Asekritov acknowledged

however, that the issue of conditions was still extremely sensitive for the Soviet side. "This cannot please everybody. Such control could recall a colonial system," he said. Mr Camdessus began his

consultations yesterday with Mr Stepan Sitaryan, deputy Prime Minister and head of the State Commission for External Economic Affairs, and Mr Ernst Obminsky, deputy chief of the Foreign Ministry's department for external economic relations.

The IMF chief is also expected to meet Mr Viktor Geraschenko, the central bank chairman, before he leaves Moscow. "Peasant revolt" may hit Soviet harvest, Page 2

#### Dollar and stocks fall Continued from Page 1

One clear positive feature is that underlying inflation appears to be moderating in spite of month-to-month fluctuations in the consumer price

The weaker than expected advance estimates of second quarter GNP and downward revisions of earlier quarters' figures prompted speculation that the Federal Reserve would be forced to consider a cut in

interest rates. US Treasury bonds rallied in response to the figures, taking the benchmark long bond ½ point higher at midsession to yield 8.50 per cent. At midsession, the Dow Jones Industrial

Average was quoted 18.81 points lower at 2,901.98. The weak US data also bruised the international

equity markets and caused some sharp realignments among the dollar's major trading currencies. In London, the FT-SE 100 closed down 14.0 at 2330.1, chiefly tracking Wall Street,

but also in response to sombre

corporate news at home. Sterling, however, profited from another end-of-week rumour that Britain was to take up full membership of the European Monetary System. Traders reported that the Bank of England was in the market, buying the pound with striking

The pound started the day at 93.1 on its trade-weighted index but jumped to 98.9 at the close. It rose 2% cents against the weaker dollar to \$1.8345, and strengthened by 11/2 pfennigs against the D-Mark to DM2.9592. The pound also had a favourable reaction to the news that Opec had agreed a target price of \$21 a barrel for

In Tokyo, the Nikkei-Dow fell almost a thousand points overnight yesterday, and closed 506 down at 30863.58 amid fears about inflation and a possible rise in the discount rate when Governor Mieno of the Bank of Japan returns from holiday next week.

#### THE FIDELITY EDGE

terday in London. But that

probably reflects a combina-

tion of two things: traders'

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SECTION II

Weekend July 28/July 29 1990

Brendan Bracken (left) and Lord Beaverbrook, were close friends, members of Winston Churchill's wartime 'kitchen cabinet," and two of the most colourful Press Barons and political intriguers of the century. For more than 30 years, their letters, published this week, mixed spicy gossip with a buccaneering spirit of free enterprise. They are also imbued with the affection between two men and their admiration for the great statesman who bound them together.

RACKEN, the son of an Irish STATE OF THE PARTY stonemason, became a Tory MP at 29, founded the Banker, coowned The Economist and became chairman of the Financial Times. He was a very successful Minister of information from 1941 to 1945. His later letters chart the triumphs and shortcomings of the "neo-socialist" Harold Macmillan and the "charter-mongering" R.A. Butler in the post-war Conservative party. Lord Beaverbrook, born to a church minister in Canada, came under the patronage of his fellow Canadian and So Mr Red Co leader of the Conservative party, Bonar Law. His reputation as political kingmaker faded after Bonar Law's death in 1923 and he concentrated on turning the Daily

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Aircraft Production. Bracken died aged 57 in 1958, Beaverbrook in 1964 aged 85. Their correspondence is now published for the first time in My Dear Max, edited by Richard Cockett.

Erpress into Britain's biggest selling daily newspaper. In 1940 he became Minister of

ON March 15, 1939, the Germans marched into Prague and occupied the remainder of Czechoslovakia. That afternoon, British Prime Minister Neville Chamberlain. referred to by Bracken as the 'Coroner'. made a statement in the House of Commons on Hitler's flagrant breach of the Munich agreement.

Bracken to Beaverbrook, March 16, 1939, Bishopsgate, London, EC2.

Your hero Chamberlain took a pluperfect pearler yesterday. Instead of telling Parliament that Hitler had broken the promise he made at Munich, he entered into a protracted legalist argument worthy

of Uriah Heep or Simon, or both Chamberlain's political success during the last six months (and they have been very great) were due to the feeling that Munich was a landmark of peace. The crude destruction of what was left of Czechoslovakia must inevitably create doubts in Chamberlain's judgement in the constituencies. He told the public that he brought them peace in our time. He also declared that Hitler had assured him that the truncated Czechoslovakia State would be allowed to live in peace. Germany had no desire to obtain control of alien populations!

Now that Hitler has incorporated about eight million aliens into the Reich, the worth of his promises is evident even to



# My Dear Max,

the stupidest elector. One of the Coroner's principal colleagues declared to me today that a National Government was inevitable, and that an effort should be made to retain Chamberlain's services by offering him the Lord Presidency of the Council! As I grow older, I become increasingly distrustful of emotional reactions, and to me Chamberlain appears a tough old gentleman who will fight for all his might against any 'real National Government' in which he will not hold the first place. He is greatly advantaged by the fact that most of his Parliamentary colleagues are subservient and stupid.

It was very stupid of him to issue his declaration of Friday that European tension was decreasing and that the German Government were becoming more moderate, and that the public might hope for a disarmament conference before the end of the year. This is the fourth time that an optimistic declaration by him has been followed by ructions in Europe.

War talk is beginning again, and will probably deepen the slump that has been with us since 1938. In my humble judgement, the fear of war is negligible if we push on with our rearmament programme and avoid internal political quarrels. My

optimism is not solely based on our strength. The real hope for peace lies in the fact that the Nazi gangsters in Germany are all so conscious of their own weakness in the event of a war in which the first class powers are engaged. The Nazi bosses now live off the fat of the land. If war broke out the grim German General Staff would take command, and some of the blood and thunder Nazi bosses would be drafted into the front line trenches. The leaders of the Nazi Party have an unappeasable appetite for blackmail, but I am sure that they will stop short of war.

We rely on you to keep your noble and sharp eye on Mussolini. And to organise all the croupiers, income tax dodgers, billiard markers, and other notable citizens of Monaco into an effective opposition to the march on Nice! It may or may not be known to your lordship that during the Munich crisis, the British General Staff ordained that the Tenth Lancers (now mechanised) were to be stationed in Monte Carlo, this very able Regiment can be utilised to defend the more vulnerable parts of the ever-expanding British frontiers.

(sgd) Yrs, Brendan

July 20, 1941. Bracken reluctantly accepted the post of Minister of Information in Churchill's government. There was an exchange of short letters:

Beaverbrook to Bracken, July 21 1941

My dear Brendan. In the ordinary way, it would by looked on as a sarcastic or even an

unfriendly act to offer a man congratulations on becoming Minister of Information. In your case this is not so. You are going to make a great success in this office. Your gifts of imagination and energy will be given a scope they have never enjoyed before.

And the glory you win will be all the brighter because it shines in a dark and dismal sky.

Bracken to Beaverbrook. Ministry of Information, Malet St. WCL

My dear Max. Your letter was a great encourage-

I have no illusions about this job. And I would not have taken it without your backing. You know all that need be known about how to run this Ministry. And as I shall be wanting your help, you will curse the day that you pressed me to come here!

Yrs, Brendan

Bracken was defeated in the 1945 General Election, but was re-elected at Bournemouth after a by-election that November. Britain had a majority Labour government for the first time led by Atlee, Morrison, Bevin, Cripps and Dalton. With Labour at such strength, Bracken reflected on the Tory conference of 1946 . . . .

Bracken to Beaverbrook Princes House, October 7 1946. 95 Gresham Street, London, BC2. My dear Max.

The Tory Conference is over. It was an interesting affair. The neo Socialists, like Harold Macmillan, who are in favour of nationalising railways, electricity, gas and many other

things, expected to get great support from

the delegates who are supposed to be greatly frustrated by the result of the General Election and successive by-elections.

Rab Butler and the other moles engaged in research to produce a 'modern' policy for the Tory Party believed that Blackpool would be a paradise for the progressives. It turned out that the neo Socialists were lucky to escape with their scalps. The delegates would have nothing to do with the proposal to change the Party's name. They demanded a real Conservative policy instead of a synthetic Socialist one so dear to the heart of the Macmillans and

greatest receptions of his life.
I expect the Government is going to have a rough ride at the Annual Conference of the TUC, Jack Tanner and company have put down what amounts to a Vote of Censure on Bevin's foreign policy. All the big Unions are agreed in pressing for a wage policy and the National Union of Railways is pressing for the appointment of working-class socialists to the

Butlers, and it gave Churchill one of the

Boards which are to control transport. Our sinuous friend, Lord Portal, is in a great state of dither. The Government have offered Leathers the Chairmanship of the Board which is to control all transport. He has refused. Morrison asked him whether Portal was fit for the job. The reply was 'certainly not.' Game, venison and other delectables are now pouring into Downing Street from Laverstoke. And the Lord is declaring that he has never been in sympathy with the Conservative Party but his long experience of South Wales has taught him to hold the Socialists in high honour! The greedy little eyes of our porcine friend are certainly fixed on the main

Bracken greatly enjoyed writing the Men and Matters column, now called Observer, in the Financial Times, and Beaverbrook was an avid reader . . .

Beaverbrook to Bracken, June 25 1950.

My dear Brendan. I have been reading your column this Monday in the Financial Times on Houldsworth, the Coal Commissioner and Chair-

man of the Coal Board and others. I must say that the column is so vigorous that I would like to employ you for the Daily Express, and I offer you £20,000 a year. But in depreciated £'s. Yours ever.

In October, 1951, Churchill and the Tories returned to power, but Bracken and Beaverbrook were conspicuous by their absence from the cabinet. The following year. Bracken was elevated to the peerage. but never took his seat in the House of

Bracken to Beaverbrook. Lord North Street January 15 1952 Westminster. My dear Max

Lords (or morgue, as he called it.)

Many thanks for your letter. Translation to the morgue is a curious

experience Our Mr Butler has a stronger digestion than the toughest of ostriches. He has evacuated his charters with no sign of a blockage and is now preparing to slaughter the do gooders and easy spenders in Government service. He talks like Hicks-Beach: may he wield his axe as vigorously! He is, I think, converted to the policy of freeing the pound and may soon create machinery for an exchange equalisation fund which is, of course, the best way of

restoring a wide measure of convertibility. Continued on Page VII

# Of mad bankers and bad accountants

LAST FEBRUARY I wrote, in the wake of the collapse of Drexel Burnham Lambert, about the invisible crash in the values of businesses bought and sold on the private market between companies. Since then the invisible has become all too obvious.

The eye-catching tip of the iceberg has been represented by spectacular crashes such as that of Donald Trump in the US, while in the UK we have seen apparently strong and growing public companies such as Coloroll and Parkfield Group suddeniy disappear in puffs of smoke. I have not seen that ominous phrase about the need for "clarification of the company's financial situation" used so frequently since the mid-1970s. Property is the worst-affected area, but the problem extends throughout the corporate sector. The accountants Ernst & Young. for instance, have estimated that the prices of unquoted British businesses fell by at least 20 per cent during the first half of 1990.

What might appear paradoxical, but isn't, is that neither in the US or the UK have the stock markets gone the same way. They have traded fairly steadily, and even in the depressed small company sector of the London stock market prices only drifted some 6% June, according to the Hoare Govett Smaller Companies Index.

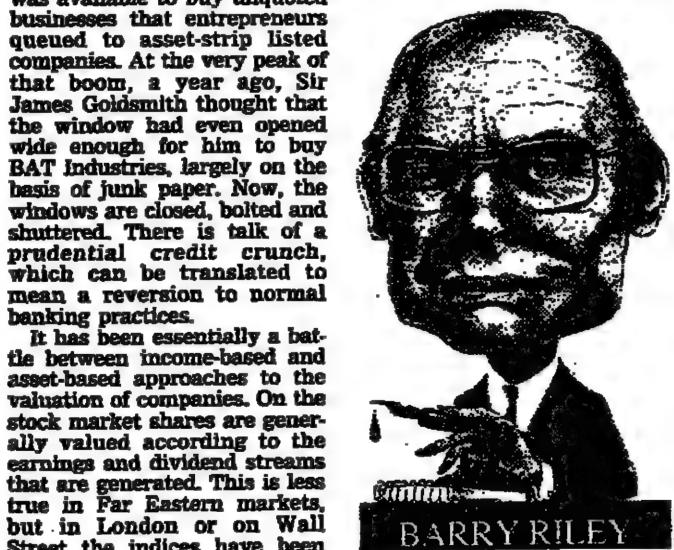
We have been seeing the alltoo-predictable reversal of the freak capital market conditions

which ruled up to the first half of 1989, when so much finance was available to buy unquoted businesses that entrepreneurs queued to asset-strip listed companies. At the very peak of that boom, a year ago, Sir James Goldsmith thought that the window had even opened wide enough for him to buy BAT Industries, largely on the basis of junk paper. Now, the windows are closed, bolted and shuttered. There is talk of a prudential credit crunch, which can be translated to mean a reversion to normal banking practices.

valuation of companies. On the stock market shares are generally valued according to the earnings and dividend streams that are generated. This is less true in Far Eastern markets, but in London or on Wall Street the indices have been sustained in recent months by reasonable income ratios (although there is now some cause for concern, especially in the US, and also in the UK judging by the poor ICI results this week). In normal circumstances private deals are also income-based, in terms of multiples of profits, but in the late 1980s the emphasis began to be placed more and more on asset values: that is, a business was per cent lower in January- worth \$100m because somebody else could always be found to pay at least that much

> It was mostly the fault of the banks, which in the wake of

The Long View



While the stock market has held steady the value of private companies has tumbled, bringing distress to many bankers and the entrepreneurs they backed

debt were desperate to find new, safer, lending opportunities much nearer home. The the collapse of Third World junk bond promoters, led by

The point was that the

income-based approach set a limit on the value of businesses because the interest had to be serviced out of profits, with a safety margin. And if interest rates were high, as they certainly were on junk bonds, the servicing capacity for debt was correspondingly

But if you forgot about the need to cover interest outgoings the limits were suddenly removed. The interest could be rolled up, and paid for out of the profits from disposing of some or all of the assets. And the prices would always be higher, because the bank loan syndicators and the junk bond houses were eager to create more and more debt and earn higher and higher fees. No wonder the fuddy-duddy stock market was left struggling to catch up with all this.

Until, one day last October, it became clear that airlines and hotel chains could not. after all, be sold on indefinitely at ever-sillier prices. The game ended. The banks drafted reinforcements into their bad debt departments. Drexel shut up shop. Donald Trump suddenly ceased being a billionaire and now is forced to subsist on pocket money of a mere \$450,000 a month.

In the UK we are now learning just which public companies borrowed too much money to buy overpriced assets and used creative accounting to cover up the deficiencies in their income statements. Unfortunately, to judge by the

Drexel, also fuelled the fire. example of Parkfield Group, which collapsed from apparent solidity to financial oblivion within six months, it does not seem possible to detect such misbehaviour from their published accounts.

A lot of the mud is going to stick, rightly, on the account-ing profession. The auditors have a lot to answer for, but aggressive finance directors have been the worst offenders, pushing noisily for a laisser faire approach in brand valuation and goodwill accounting. It would be very dangerous to put values on highly volatile brand names in a balance sheet, and as for goodwill on acquisition, the UK companies like Saatchi & Saatchi which took advantage of lax British accounting rules to buy up US service companies have mostly come badly unstuck. They were able to outbid American rivals who would have been forced to write off the goodwill against earnings, but the advantage, if it was one, only tempted them to pay too much.

This ill wind may at least blow some good for the new Financial Reporting Council, which will soon have to hand a vintage collection of demonstrably misleading annual accounts. There is an urgent need for a much tougher approach in areas such as merger and goodwill accounting, off-balance sheet manipulation and inflation account-

ing. But when bankers go mad, it takes more than rigorous accounting to offset the damage that they do.

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#### Turmoil for private brokers

Barry Riley looks at the ways in which clients are suffering as small firms are squeezed. Plus the prospects for the big banks, which report their results next week. Page IV

#### **Eastern mysteries**

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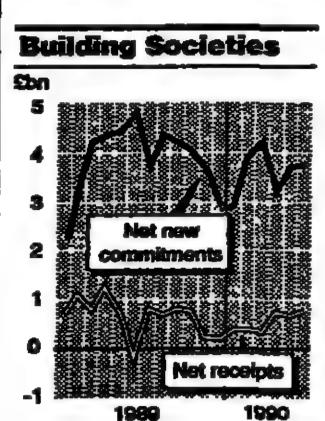
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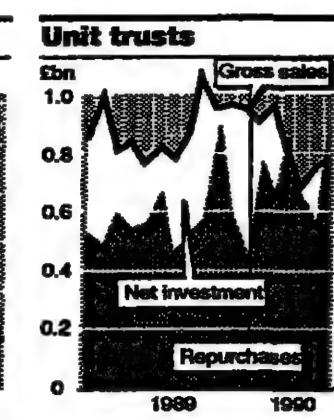
Eastern Europe is still a financial maze. Judy Dempsey guides the traveller through currency black markets while Sara Webb examines the problems facing fund managers with money to spend and nothing to buy. Page V

#### Minding your own business

A source of inspiration in a worked-out quarry and the search for inspiration in the home office. Page VI

BRIEFCASE: Tax avoidance and accountants - Page Y





#### Net savings double in second quarter

Severs are slowly reacting to the hike in interest rates made by building societies in the early spring. Net savings in the second quarter this year doubled those of the first quarter to reach £2.3bn, and savings last month, at £809m. were the highest monthly figure since last September. On the mortgage side of their business, the building societies are still holding up well, despite the continuing sluggish housing market. Net advances in the second quarter were slightly ahead of the first quarter, at £10.95bn on 199,000 houses against £10.62bn on 165,000 houses. Eric Short

#### Unit trusts monthly outflows break record

At first sight, June would appear to have been a disaster month for the unit trust industry: a record £63.8m net outflow of funds and repurchases of £851.8m suggest that investors are getting out of unit trusts in droves. However. closer inspection shows that it was just two life companies, Allied Dunbar and Standard Life, which by switching £243m worth of units into equities sent net investment into the red. Once these switches are taken into account, sales of £788m and repurchases of around £609m leave net investment of around £180m, which is about par for the course these days in unit trust sales. From now on more life companies can be expected to switch out of units into the underlying equities for tax reasons. Life companies have until the end of next year to make such switches on favourable tax terms. So until then the monthly sales figures are going to be somewhat distorted. ES

#### Banks unveil student **Incentive packages**

National Westminster and Midland Bank both came out with details of their student packages this week. NatWest is offering £30 in cash to first-year students who open an account with them. The money will be paid into the account once the first grant cheque arrives. Students will be able to get an interest-free overdraft of up to £300, and will be paid interest at 6 per cent when in credit. There are no bank charges even when the account is overdrawn. Students will receive a Servicecard which acts as a cash withdrawal, cheque guarantee, and Switch card Midland is offering £25 in cash to students plus a free

discount coach card and commission-free sales of travellers cheques and foreign currency. It will pay interest of 8.58 per cent net, provide a cash withdrawal/cheque guarantee/ Switch card, and offer interest-free overdrafts up to £300. Sara Webb

#### **UDT** opens high-interest cheque account

United Dominion Trust, the finance house arm of TSB, has launched a high interest cheque account called Capital Plus. Interest is paid quarterly at a current rate of 11.39 per cent net, equivalent to a compounded gross annual rate of 15.42 per cent. Standing orders and direct debit payments can be arranged, but withdrawais must be for a minimum of £200. The first 15 debits each quarter are free, after which is there is a charge of 50p per debit. David Barchard

#### Audio guide for investors

National Savings have produced a free audio cassette for investors who have difficulty reading. The tape, "A Guide to Savings for Non-taxpayers" outlining their range of savings products, is available free from Freephone 0800-868700. SW

#### LONDON

# Footsie catches a summer cold

As seemed possible at the

end of last week, equities were

shaken on Monday by unhappy

trading on Wall Street. The

FT-SE 100 Index slipped from

its precarious perch atop the

2,400 mark, dropping more

than 40 points on the day as

corporate earnings tumbled in

The market's response to its

own bad news from a trio of

Footsle companies was more

Reuters Holdings and Reed

International were hit on Tues-

day. Reuters, the financial

information and news group,

HIGHLIGHTS OF THE WEEK

2463.7

745

257

245

681

1263

260

259

1318

139

350

320

241

24212

1990

Low

2103.4

New York

worrying.

-70.0

-39

-24

-11

-23<sup>1</sup>2

-12612

+25

+11

-215

+13

-19

-21

+19

+ 2012

-12

IT IS debilitating, contagious and taking on the dimensions of an epidemic: cautious trading statements are catching. Even the Government is

developing the symptoms, judging by the Chancellor's statement on Tuesday that the inflation rate is unlikely to come down to the treasury's internal target of 5 per cent by the middle of next year.

If that sort of news had been transmitted through the Stock Exchange's company news service it would have sent shareholders in UK plc scurrying for the exits, especially coming on top of the widening trade deficit revealed on Monday. The pound dutifully

responded to its master's voice and fell on the day, but the equity market was already so well-stocked with bad news both in the US and the UK that John Major's caution appeared to go unnoticed. It seems doubtful whether the Chancellor noticed it him-

FT-SE 100 Index

**Grand Metropolitan** 

**North West Water** 

BAT Inde.

Macerthy

Racal Elect.

Storehouse

Sun Alliance

Tate & Lyle

Unilock

Thames Water

index soared.

IT WAS A week when raw fear

finally showed through, when

Wall Street's perspiration

For over a month now the

US equity markets have been

behaving rather like someone

with a passion for deodorants.

smelling and how controlled

life becomes when you get up

every morning and spray on

(or roll on, in these environ-

mentally conscious days) a lit-

tle bit of self-confidence; For-

slow trading and prevent

free-fall. (The Dow ended the

day only 56.44 down, but that

was due in considerable mea-

sure to a rally in oils, which

continued throughout the

week, in the expectation of

First, Wall Street was react-

ing to slightly worse than

expected figures from McDon-

ald's, the hamburger chain. Its

shares were savaged. The mar-

higher crude prices),

ket's momentum.

burst through 3,000.

sweat visibly.

How simple, how sweet

Reuters

EMAP

**GEC** 

Price

y'day

2330.1

595

230

191

640

1026

189

236

196

1052

138

319

282

236

actually produced a 23 per cent self. Within 24 hours he was up increase in pre-tax profits for to his old ERM tricks again. the first half, to £167m. But welcoming the recent strength added that cancellations of of the currency, and reaffirm-Reuters services had increased. ing the Government's commit-If Lord Hanson had just been ment to entering the exchange appointed Archbishop of Canrate mechanism. Just how terbury, the market could not often a commitment can be have been more surprised. The reaffirmed before it becomes share price dropped 15 per cent part of our national consciouson the day, and ended the ness only the Government can week down 215p at 1052p.

The publisher Reed International also suffered at the hands of a surprised market, when Peter Davis, the group's chairman, indicated at its annual meeting that profit growth would be held back in the current year. Reed's shares ended the week down 10 per

cent at 422p. Shock number three came from ICL the chemicals group often regarded as a barometer of British corporate well-being. On Thursday, the company announced that first-half profits had fallen more sharply than anybody had expected,

Wall St. weakness/co. results

US court ruling on cigarettes

Defence cuts/poss. PowerGen bidder

Repercussions of McDonald's requits

Suyers drawn by yield attractions

Profit-taking after strength

County NatWest 'buy' note

Warns of alower growth

57 Agreed bid from Yule Catto

97 Higher profits expected

Broker downgrades forecast

282 Losses expected at heliway stage

Fail in interim profits

# UK current account balance UK visible trade balance

down 21 per cent to £733m before tax. Weak demand has struck the chemicals industry. and has taken a particular toll on ICI's bulk chemicals operation. Over-capacity is one problem bugging the industry in developed countries, and was also part of the reason for ICI's withdrawal from the western European fertiliser industry: the company announced the £75m sale of its loss-making UK operations to a Finnish company on the same day. ICI's shares continued downhill yesterday, ending 1100

lower on the week at 1026p. Footsie closed a week of emaciated trading down 70 points at 2,330.1, and next week's nervous season of bank results (heralded by Lloyds Bank's £190m of UK bad debt provisions yesterday) is still to come. The market as a whole may be underpinned by institutional liquidity, but if individual, well-researched stocks are that vulnerable to downgrading, who can count on the stability of others?

Meanwhile - bored, perhaps, with stalking mere quoted prey - Hanson has taken a shine to the family silver, expressing an interest in buying PowerGen, the electricity generating company, from the Government.

Hanson is not the only ambitious conglomerate or potential conglomerate in the takeover jungie. On Thursday, Mountleigh, the property and retail group, announced it had lost £46.8m before tax in 1989-90,

compared with a profit of £69.3m in the previous year. That would normally be the signal for shareholders to bail out. But last November two US entrepreneurs took control. Nelson Peltz and Peter May are not short of ambition: they want to sell Mountleigh's under-performing property portfolio, reduce debt of £600m and make a £1bn European acquisition. The criteria for potential purchases will look familiar to conglomeratewatchers - cash generation, asset backing and so on - but the real question is how quickly and how safely Mountheigh's new chiefs will be able

to put their plan into action.

Investors can expect an exciting ride. By contrast Unilock Holdings, an office partitions group, has had enough of the rollercoaster. Size is no guarantee of share price security, as Footsie's losers can testify this week, but at least people take notice of large companies. Unilock threw in the towel last month, expressing disillusionment with the market's indifference to smaller companies and putting itself up for sale. On Thursday it announced

and plantations group, had made a £24.6m agreed offer for the business. A crop of corporate news on Wednesday illustrated how few sectors are escaping the squeeze. Budgens, the food

that Yule Catto, the speciality

chemicals, building materials

retailer, reported a fall in prof-

its to just under £12m before tax, complicated by exceptional items and provisions; pre-tax profits at Hepworth, regarded as one of the better stocks in the building sector, slipped 6. per cent to £50.1m in the half; and Misys, the computer systems and services group, warned of tough trading condi-

tions. Even fine art, the rich investor's hedge against inflation. may be losing some of its attraction as a haven for serious money. Both Sotheby's Holdings and Christies International reported their 1989-90 sales this week. Sotheby's rose 39 per cent to \$3.2bn in the season, and Christies showed about the same rate of increase to \$2.38bn. But demand for Impressionist and modern art has slackened: in 1988-89 Christies' sales rose 63 per cent and the Sotheby's figure was up 58 per cent.

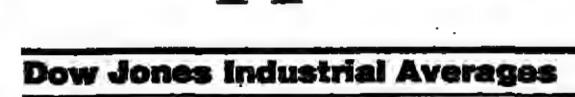
If tension between Iraq and Kuwait persists, tycoons may be better advised to switch from art to that old standby investment, oil. The increase in the cost of a barrel of crude did not help Lasmo in the first half of 1990, although the independent UK oil producer still managed to push up after-tax profits by 17 per cent, but the share price has had a good week up 19p to 441p.

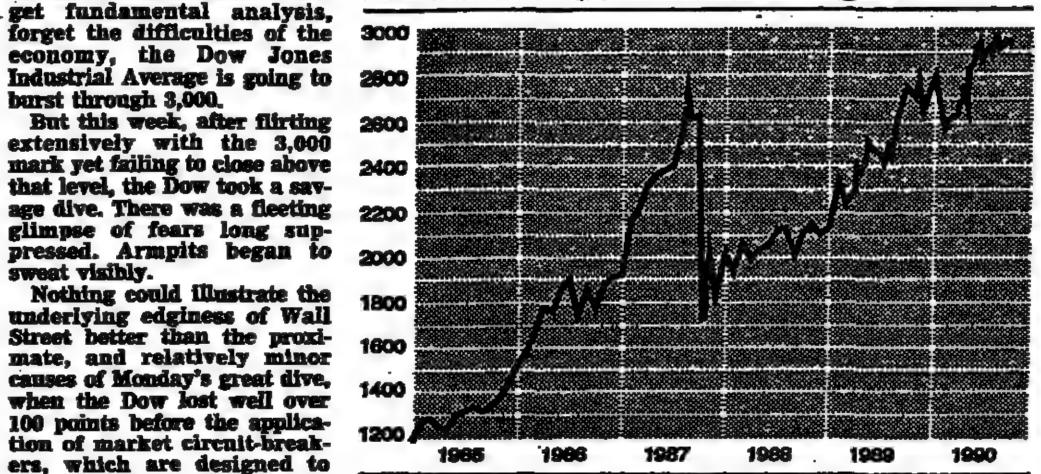
When the possibility of war in the Middle East is the best news in the market, you know it has been a bad week.

Andrew Hill

Broker lowers forecast Firm water stocks

# **WALL STREET** Fears long suppressed





reports of financial trouble at an obscure student loans body, which is backed by the federal Government. This hardly constitutes a threat to the stability of the financial system, but it does underline twitchiness about the quality of much lending by commercial banks, which have been busily bolstering their provisions against real estate and highly leveraged takeovers which have turned sour.

ket is being particularly unforgiving to stocks which fail to meet earnings projections, and Third, there was some conthat includes those blue chips fusion about the Federal growth companies. like Reserve's intentions towards McDonald's, which have been interest rates, following testimony in Washington by Alan giving the market much of its Greenspan, its chairman, who recent upward drive. As yesterday's heroes fall from was seen to be ambiguous about his policy for trading off grace, so do the number of stocks maintaining the marthe fight against inflation and the economy's slow growth. Second, it was reacting to Yesterday, however, came

GNP growth figures which would seem to add pressure on the Fed to ease monetary polley beyond its recent limited downward nudge to the Fed Funds rate: second quarter growth was provisionally estimated at only 1.2 per cent, well below the consensus forecast of 1.8 per cent, and below the first quarter's revised 1.7 per cent. Furthermore, much of the growth stemmed from a rise in inventories. With inflation figures much

as expected - 3.9 per cent. using a fixed weight deflator - political pressures on the Fed to ease its stance are bound to be strengthened, and that belief gave a fillip to the

bond market yesterday. But the outlook for equities is far more equivocal. Yesterday's figures suggest that the

economy may at best muddle on, with GNP mirroring the lacklustre first six months. At worst, the recession already rolling across several regions could spread nationally either this year or next.

Certainly, the second quarter results announced so far have done nothing to lighten the gloom. According to one analyst Prudential-Bache, while 18.5 per cent of companies have reported stronger than expected results, 24.6 per cent reported have weaker-than-expected ones.

Such statistics may well tell us more about Wall Street's predictive abilities than the state of the economy. What is more disturbing is the number of businesses themselves sounding warnings about the outlook for the rest of the

This week, for example, Dow Chemical not only reported a sharp drop in second quarter profits but said that second half results were likely to be even softer. Capital Cities/ ABC, the media group, said its third quarter earnings might dip if demand for television and newspaper advertising did not pick up.

General Motors and Ford, the two biggest motor manufacturers, both reported sharply lower earnings, partly because of the depressed state of the US market and partly because of troubles abroad. Ford made some more optimistic noises about the third quarter outlook in the US, when both companies intend to raise production, but motor analysts are divided as to whether June's more promising sales figures are sustainable at a time of crumbling consumer confidence.

Monday 2984.70 - 56.44 2022.52 + 17.82 Tuesday Wednesday 2930.94 + 8.42 Thursday 2920.79 - 10.15 **Martin Dickson** 

to be on a high-growth path, in suite of this week's correction. Although Wall Street reacted adversely to a downgrade from a supposedly glamour stock, it seems likely that most existing investors will continue to back their faith in Reuters to ride the tide towards global financial electronic market.

Those wishing to join the party now must ask themselves how much of this good news is already in the price. Reuters is inevitably linked with the fate of the financial markets, as was demonstrated in the 1987. Should one pay more than 24 times earnings for shares in a company which not only helps create market sentiment, but could be sayaged by an adverse change in the mood of the world's markets?

One thing is certain: nothing would succeed like a Reuters service which could have told at the begining of 1988 how well the shares would perform over the next two years... ■ Directors' share transactions, page III

Andrew Bolger

# An unhappy birthday

JUNIOR MARKETS

THE WAILING and gnashing of teeth over the difficulties faced by the Unlisted Securities Market grows ever louder in the run-up to its 10th anni-

versary in November. Worries about dwindling new issue volume and diminishing liquidity, combined with numerous disaster stories emerging from the UK small company sector, leave little time for self-congratulatory reflections on the market's achievements during the 1980s. Not the least of these was the role played by the USM.

Europe's path-breaking junior market, in encouraging other international stock markets to set up similar arenas for small companies. Such moves were made by the Netherlands in 1982, France in 1983 and West Germany in 1987. Price Waterhouse, the

accountancy firm, is planning a conference in London to coincide with the November anniversary which will bring together experts from such other junior markets around the world to swap information on points of common interest. But Glyn Barker, a PW partner, this week added to the gloom about the USM by warning that the UK's market was not likely to shine by international comparison. Announcing that the confer-

ence would take place, he said: "Unfortunately, events in other second markets in Europe have left the USM behind . . . the USM is no longer the largest and, arguably, no longer the most sophisticated. Many of the [other] markets are operating much more efficiently and are currently more successful in performing the primary function of financing business growth."

However, any idea that the other markets have proved immune from the difficulties suffered by the USM would be far from the truth.

In his speech. Barker contrasted the USM's current state with the impressive record of France's Second Marche, now the largest of its kind in Europe in terms of market capitalisation, with a value of about Ffr200bn (220bn) against the USM's £8.5bn

About a third of companies on the Second Marche traded outside Paris, and France's six regional stock markets - especially Lyon - have played a big part in its success. Smaller companies that might have been neglected in Paris have been able to attract an enthusiastic following from local investors. Other Second Marche compa-

nies have been able to shine even in the capital: it was on this market, for example, that the flotation of Yves Saint Laurent, the conture house, took 

higher price.

However, according to Herve Lemee, head of listings at the Paris hourse, all is no longer rosy with the Second Marche. New flotations during the first six months of this year were down - to 15, compared with 22 last year - and this cannot be blamed on economic problems in the country. "We are still feeling the effects of the 1987 stock market crash. Companies seem to be hesitating. Some are scared to be listed he says.

The popularity of the Netherlands' so-called Parallel Market has also waned this year. At end-December 1989, 64 companies were listed. At the end of June, there had been a net loss of one constituent after threecompanies had joined. But then the Parallel Market, which earlier had developed a reputation somewhat similar to the old over-the-counter market in the UK, never hadproved a success. A spokesman. at the Amsterdam stock exchange admits: "It was not considered respectable."

However, the stock exchange has been trying to improve its image. This has included a publicity drive to increase awareness of the market and. more significantly, a stiffening of the requirements for entry.

The exchange is changing the minimum length of the trading record which a company must show in its prospectus from two to three years. The thinking is that this move should increase the numbers of new entrants rather than depress them: the more exclusive the club, the more people will want to join. In addition, an Amsterdam stock exchange spokesman says: "We think three years is the least that is necessary to be able to see if a company is developing prop-

London went the other way this year: at the same time as the USM and Third Markets were merged, the USM's trading record requirement was reduced from three to two years, while that for the official list came down from five to three. Some said the change marked a demotion of the USM and would put off potential recruits. Indeed, Barker is likely to have ruffled feathers at the Stock Exchange this week when he cited the rule changes as well as a worsening economic outlook as producing a "distinctly unhappy" USM. New issue volume has

indeed declined this year. But there are so many other explanations for this that there is no need to label this regulatory change as the prime culprit. And it has yet to be seen if the changes in Amsterdam will prove the making of the Paral-

BKING the bearer of bad news is never a happy task. It must have been particularly painful this week for Reuters Holdings. the financial information and news group, to inform the world that its full-year profits would be lower than the markets had been expecting.

As soon as the company's half-year results and warning about increasing cancellations flashed up on Reuters screens around the world on Tuesday. dealers started to sell the glamour stock. At the end of the day which saw more than 10m shares traded, the shares closed 15 per cent lower at

gloom, however. Reuters reported a healthy 26 per cent increase in interim earnings and full-year profits are still likely to be up by 20 per cent. Even after the drop in share price, it is still one of London's most highly rated stocks. So how does the investor judge the performance of Reu-

ters, which now earns less

than 10 per cent of its turnover

from the international news

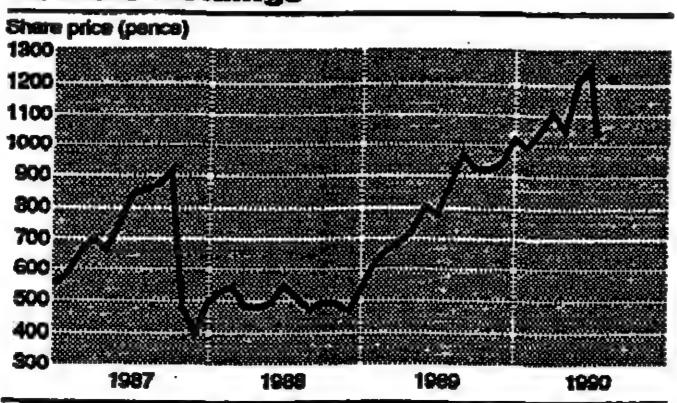
agency business which the

German immigrant Paul Julius Reuter founded in London in 1851, complete with carrier nigeons?

Because Reuters is so dependent on providing instant financial information and trading services to dealing rooms and financial institutions around the world, it was one of the most spectacular victims of the 1987 crash, with its shares falling from 900p to 395p. The steady rise in the share price since Black Monday has been fuelled by the realisation that One should not overdo the the crash did not presage another depression.

Another factor buttressing the price has been the growing enthusiasm for Reuters shown by Wall Street investors. Some 48 per cent of the company's shares are now held as American Depositary Receipts, up from 46 per cent since the end of last year.

One reason for US interest is that, unlike British investors, Americans do have a sector into which they can place ReuReuters Holdings



Reuters makes the news

ters - and the comparison has tended to flatter the British company. Information-based companies such as Dow Jones, McGraw Hill and Dun & Bradstreet have all been on higher price/earnings ratios than Reuters, even though most analysts agree that they are not so

Analysts' forecasts of this

well managed

year's profits were scaled down after Reuters warned that it faced increasing cancellations of its screen-based financial services, particularly in the UK, US, Taiwan, Hong Kong and Australia.

However, the main opportunity - and uncertainty - concerns the performance of Reuters new automated trading

products. These include the second phase of Dealing 2000. which will provide automated matching of foreign exchange buy and sell orders, and Globez, which will provide similar after-hours facilities for futures trading. Both have been delayed but Glen Renfrew, Reuters' managing director and chief executive, said both should start producing revenue in the final quarter. The lucrative aspect of these systems is that in addition to a rental fee, Reuters also receives a payment for each transaction carried out through systems.

John Clarke, an analyst with Daiwa, estimates that three new Reuters products - phase two of Dealing 2000. Globex and Money 2000 - could make £40m-£50m next year and generate as much as £250m by 1995. He is confident that Reuter will remain "the number one high-technology stock for the 1990s in the UK." and the company certainly still seems

# How to read the minds of the people in the know

IT REMAINS one of the oldest truisms of investment analysis that the people who know the most about a company are its. directors. The army of wellpaid analysts at City stockbroking houses may think of themselves as the experts, but when it comes down to knowing the true condition of a company's health, directors will always have the advantage.

So logic dictates that a decision by a director, or more. importantly, several directors. 250 to buy or sell shares in their company has a real significance for shareholders. And if logic does not dictate that directors' dealings matter, then history certainly does.

The past few years are littered with examples of directors buying shares just before a marked and steady rise in the share price, and of directors selling not long before a sharp and sometimes sustained drop in the price.

Take Parkway, the pre-press

AS THE THE LOW Once a shooting star on the Unlisted Securities Market, it was the proud holder of the title USM Company of the Year for 1988. In the spring of 1989 a director sold 40,000 of his shares at 265p. On its own, that Parity By Se would not have been remarkable. Yet four months later a further five directors, including John McKimmie, the chairman and chief executive, sold sizeable chunks of their hold-स्ति के कि से कि कि ings for 245p. In August a profits warning was issued, and the share price dropped sharply. By September McKimmie had stood down as chief executive and the share price was in a downward spiral. Parkway shares currently languish at 19n.

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RKETS

CARROLL SECTION

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Another example is Granada, the television, leisure and business services group. Three Granada directors sold shares for around 370p in the summer of last year, and the price fell almost 100p in the following three months. A recovery ensued, then another four directors sold stock at the beginning of this year, again around 370p. Since then the price has fallen to 220p amid statements from Granada that trading continues to be affected by weak consumer

spending in the UK. The best recent example is Reuters. In May, four directors sold over 60,000 shares worth more than £610,000. Last week Reuters published satisfactory half-year figures, but announced that profits in the second half would be affected by an increase in cancellations by customers of its screenbased services. The shares lost

THE COLLAPSE of Dunsdale

Securities entered its final

stage this week as far as the

unfortunate investors are

The Investors Compensation

Scheme announced on Wednes-

day that its directors had

declared that Dunsdale Securi-

This announcement might

seem superfluous; but it is the

first formal step in the proce-

dure to compensate investors

for their losses. They can now

look forward with confidence

to receiving at least some of

their investment back in due

be warned that it could well

take months before they

receive any payment. And for

some bigger Dunsdale clients,

the amount of compensation

may seem niggardly in relation to the size of their investment.

was established by the Securi-

ties and Investments Board

(SIB) in 1988, as required by

the 1986 Financial Services

Act, to pay compensation to investors who have lost money

as a result of the failure of an

authorised investment firm.

SIB has developed a series of

complex rules and procedures

under which the scheme

But before these procedures

to pay compensation can be

put into motion; the managers

of the scheme must first be cer-

The compensation scheme

However, investors should

concerned.

ties was in default.

Granada Group

15 per cent of their value in one day, falling to 1045p. The sale of shares by Reuters directors came almost exactly two months before the announcement of half-yearly profits. Directors are not allowed under Stock Exchange rules to trade in their own company's shares within two production services company. ' months of the publication of results. The Reuters' directors sales were just outside that

> One of the sellers of stock was Nigel Judah, the finance director and company secretary of Reuters, who sold a total of 30,000 shares in May worth nearly £340,000. Judah sold the final chunk of his stock, 10,000 shares, on 24 May - the last possible day he could have traded in the company's shares before the Stock Exchange deadline.

The sales, which Judah said

DIRECTORS TRANSACTIONS

Retailers lead

week's sales

Investors face a wait for compensation, reports Eric Short

Dunsdale finally laid to rest

Parkway Group Share price (pence)

were "to meet personal financial commitments," reduced his beneficial holdings to 205.000 shares. Reuters pointed out that all the transactions were within its rules on directors' dealings and that it was content to let its executives exercise their choice in respect of their personal financial affairs.

Of course, the clustering of sales by directors of any company just before a Stock Exchange deadline may simply reflect a bunching up of transactions that, but for the twomonth embargo on deals, would have been spread out over the following weeks. We should also emphasise that it is not suggested in any way that any of the directors in the examples above acted on "inside" information and broke

the law. Yet a shareholder who

tracked and copied their

behaviour would have saved a considerable amount of money. Of course, both examples benefit from hindsight, but the link between directors' dealings and price movements has been established for some time. particularly in the US where it has long been used as an investment tool.

In the UK a growing number

of companies are selling information on directors' transactions to investors, both private and institutional. BRI Information Services of Birmingham has been offering daily reports of directors' dealings to its institutional investors since 1976. Bill Moore, chairman of BRI, says subscribers to his service (£1,800 a year for the daily and monthly reports) have been acting on their information dealings for years, citing Next, Burton, Amstrad and Harris Queensway as notable successes.

Another company that monitors trading by directors is the ings, which sends out a weekly publication covering all transactions for a cost of £680 per year. The most recent entry into what is a fast-growing market is Directus, an Edinburgh company set up by Angus MacDonald, a former analyst at Laing & Cruickshank and fund manager at Martin Currie.

Directus - motto: "Actions speak louder than words" has been up and running for two months and charges institutional investors £2,500 a year for daily information and analysls of directors' dealings. It has just launched a cheaper version for smaller investors priced at £460 per year for a monthly service.

Of course there are plenty of simple reasons why directors trade in their own company's shares, none of which have any bearing on the future performance of the company. A director may sell shares to pay for a daughter's wedding, or to settle a large tax bill, or pay for a holiday. They may also be selling because they feel the shares are overvalued by the stock market and heading for a downward correction.

When a director is seen buying shares, he or she may simply be exercising his rights to an options contract. This can be taken as an indication of a director's faith in the company's trading prospects, but Bill Moore of BRI warns that directors often sell stock within days or weeks of taking up the options rights. For Moore, the clearest signal to investors is when directors spend their own money buying stock at the

ments fall far short of their

expectations. The total of pay-

ments will certainly be

nowhere near the £17m

First, the scheme will only

pay realistic claims. It is

understood that investors

received regular statements

concerning the value of their

investment which bore little

resemblance to reality. Those values could have been well in

excess of what would have

been achieved legitimately

from comparable investments.

Second, compensation payments are limited. Investors

receive 100 per cent of their

investment on the first £30,000

of its value, 90 per cent of the

next £20,000 and nothing on

Thus the maximum compen-

sation is £48,000 paid on invest-

ment values of £50,000 or more.

Yet some investors had up to

121m invested with Dunsdale. A

payment of £48,000 is little

In respect of past crashes of

investment firms the scheme

has only paid one claim as

large as 248,000, so there has

been little pressure on SIB to

consider a higher limit. Duns-:

Indeed, Dunsdale could well

prove something of a test case,

forcing SIB to review the cur-

rent procedures and limits of

the compensation scheme.

dale could make SIB think

compensation in such a case.

the excess.

invested with the firm.

market price. They will want to be pretty confident that the price is going to rise before putting more of their own money at risk, However, there remains a

large grey area when directors trade in their own company's shares. It lies between acting upon genuine optimism or pessimism about a company's prospects, based upon knowledge acquired as a working director, and acting upon infor-mation unavailable elsewhere and likely to have a considerable impact on the share price. The latter is covered by the statutory provisions in the Company Securities (Insider Dealing) Act 1985, which prohibits the use of privileged information to buy or sell shares for personal benefit. There are also regulations governing director's share transactions laid down by the Stock Exchange, somewhat quaintly called, the "Model Code." It

states that directors: company's securities on considerations of a short term Will always be thought to be

in possession of more information that can at any particular time be published: m Should not purchase or sell shares for a period of two months prior to the publication

of results: Should not deal in shares prior to the announcement of matters of an exceptional

Although the Model Code is quite clear about what directors can and cannot do, it has more gums than teeth. Intended only to provide guidelines to directors' behaviour, it is not enforceable by law. The Stock Exchange has the powers to reprimand a company which has broken the code, or suspend its shares for more serious cases. The final sanction is to delist the shares altogetner.

Any hard evidence of insider dealing uncovered by the Stock Exchange is passed on to the

DIRECTORS SHARE TRANSACTIONS IN THEIR OWN COMPANIES (LISTED & USM) JULY 16-20 2000a Directors SALES EMAP Howden Group 25,000 Marks & Spencer 30,000 Marks & Spencer 80,588 Monzies(J) 15,000 Microfilm R'raphics 25,000 Morrison(W) Supermitts 100,000 Paridand Textiles 15,000 Prudential Sainsbury(J) 31,939 Scottish TV 1,040 200,000 Spandex 9,500 Storehouse 19,858,907 23,533 Tettos 6,000 Tiphook 1,250,000 Trusthouse Forta 75,000 United Friendly("8") 10,000 Vivat Holdings Whitbread & Co. **PURCHASES** AlM Group **Archer Holdings** Bennet & Fountain BHH Group 650,000 Braithwaite 330,000 660 Clarke Hooper 7,150 Haggas (John) 25,000 iolmes Protection 450,000 NOBO Group 13,500 Northern Foods 5,000

Companies must notify the Stock Exchange within 5 working days of a share transaction by a subsequently sold, with a value over £10,000. Source: DIRECTUS LTD, Edinburgh

5,000

3,500

500,000

312,500

Department of Trade and industry, but there appear to have been few cases where directors have been successfully prosecuted for unlawfully trading in their own company's

Parkland Textiles

Stirting Group

Waddington(J)

Wyndham Group

Aothmans int'i (\*B\*

Rothschild(J) Hold's

Information on directors' transactions is not enough on its own to signal impending movements of significance. Analysis and interpretation is required to make sense of

the basic data and questions

need to be asked, such as -

position in the company? Was the transaction linked to options schemes? - before it can be put to use in investment decision-making. Generally, when there is a

What is the size of the direc-

tor's shareholding? What is his

simple explanation for a transaction the information is discarded. But when the company or a director cannot, or will not, provide an explanation for the deal, then the alarm bells should start to ring, and the

shareholder should sit up and take notice Information on directors' dealings is available to anyone from the Stock Exchange. What companies like BRI. Directors Dealings and Directus do is take it all (there is a huge amount) and sift through it, looking for the tell-tale signs that might indicate transactions of interest. The sight of directors acting in unison or in size is regarded a particularly good early warning system for

the investor. Share transactions can also be monitored to measure the confidence of company directors in the economic outlook and in the stock market. A ratio can be calculated showing whether directors are selling or buying more of their own company's shares. A posi-tive ratio, which means directors are buying more than selling, suggests that directors are confident about the outlook for share prices and for the economy as a whole.

Mark Kane of Directors Dealings goes a step further. He argues that experience shows UK directors collectively are excellent judges of when the stock market has reached a peak or a trough. He notes that the overall directors' buy/sell ratio has been highest when share prices have reached cyclical lows, and lowest at cyclical highs.

Kane points out that the buy/sell ratio is low and falling steadily, indicating that company directors believe UK share prices may have peaked and are heading for a sustained

From this week, Directus will supply Finance and the Family with a list of directors' share transactions every week.

Further information: Directus, 1 Rothesay Terrace, Edinburgh EH3 7UP (031-220-0468); BRI Information Services, Neville House, 42-46 Hagley Rd, Birmingham B16 8PZ (021-452-1842); Directors Dealings, Burne House, 88-89 High Holborn, London WC1 6LS (071-404-3384).

#### lightening their holdings over recent weeks. The trend continued this week, with sales in Marks & Spencer.

DIRECTORS OF food retailing companies have been J Sainsbury and William Morrison Supermarkets. Although the sale of the majority of Sir Terence Conran's holding in Storehouse is substantial, it is understood that this was due to the financing needs of the Butlers Wharf property with which he is involved, and is therefore not tinduly significant. The chairman, Ian Hay Davison, has in fact been

buying shares this year.

tain that the firm concerned

has completely failed and there

is no possibility that it could

be revived under the existing

obvious some weeks ago. But

although the compensation

scheme has been working for

less than two years, it has

already developed a complex

administrative hierarchy and a

bureaucratic outlook. Every

compensation claim has to pro-

The Investors Compensation

Scheme has been provided

with details of Dunsdale and

its operations by the liquida-

tors. But this information is

merely the raw data from

which the scheme will assem-

ble its own proposals. It will

not be directly used for assess-

ing the right to (and amount

received, or soon will, notifica-

tion from the scheme that

Dunsdale is in default and that

any compensation will be

based on the position as at

in a few weeks by a set of

documents which investors

will be asked to use to make

formal claims for compensa-

tion. Investors will have

already provided much of the

liquidators. Nevertheless, they

Next, the compensation

required information to the

will have to repeat it.

This notice will be followed

Investors have already

This might have appeared

or new management.

ceed by the book:

of) compensation.

BHH was subject to discussion about a possible management buy-out although this has now been terminated. The chairman and fmance directors have subsequently bought considerable amounts of stock, with a substantial number of share options also being granted. There was also heavy buying in J Rothschild Holdings, with two directors buying more than 1.5m shares last month. The purchase of shares in Stirling Group was by the chairman, following two other directors who were buying recently.-Several directors dealing together is usually worth noting.

scheme will check the informa-

tion against the records of

Dunsdale, individually dealing

source of delay. The books and

records of Dunsdale are cur-

rently with the Serious Fraud

Office, which will not release

them as they will be required

for any potential criminal pro-

So the compensation scheme

says that it cannot verify the

claims from investors until

these books and records have

native means of verification

could be devised? The compen-

sation scheme could use photo-

copies, or its staff could carry

out their work at the fraud

office itself, subject to ade-

quate security checks. SIB

needs to urgently review this

published its second annual

report this week, in which it

claimed that the average time

fromliquidation date to the

payment of the first compensa-

tion instalments was 23 weeks.

Keeping investors waiting over

five months for compensation

is surely nothing to boast

about. And by the time the

affairs of Dunsdale are sorted

out, this average time will

been verified investors could

find that compensation pay-

Even when the claim has

appear to be rapid.

By coincidence, the scheme

Surely some acceptable alter-

And here lies the main

with each claimant.

# Introducing Capital PLUS, the high interest cheque account from UDT.

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\* I accept and agree to be bound to the terms and conditions set out in 2. your leaflet and as amended from time to time.

# I/We enclose a cheque made payable to United Dominions Trust Limited (min. £1,000) Full name(s)

Postcode Date Signature (1) Date Signature (2)

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Alternatively, if you want to know more about Capital Plus, the high interest cheque account, call Kate Rance on 0734 560411 or write to the address below and we'll be happy to send you our

	Net	Net CAR	Gross	Gross CAR
£1,000+	11.39%	11.90%	14.60%	15.42%

The interest rate is variable, reviewed weekly and published daily in the Financial Times. The figures quoted were correct when going to press. Interest is calculated daily and credited to the account quarterly. Full terms and conditions will be provided with our admowledgement of your initial deposit and are also available on request. NET - net of basic rate income tax. NET CAR = compounded annual net rate, with interest reinvested. GROSS = rate applicable to those not ordinarily resident in the UK GROSS CAR = compounded annual rate for non-tax payers, with interest reinvested.

My/Our bankers are	Ban
Branch	
Account Number	
Please send me full details of the Capital Plus hig	h interest chequ
account. Tick *Delete if not applicable.	F.T. 28/





# Companies woo small shareholders

COMPANIES ARE falling over mally, NatWest charges £25 per each other to please their small cent minimum or 1.65 per cent shareholders with offers of in commission. porate personal equity plans (PEPs).

British Gas is offering its investors a cheap share dealing service starting on August 1. You may either buy or sell British Gas shares by post or use National Westminster's screen-based dealing "TouchScreen" service.

If you use the postal service, the minimum commission is £11 on deals up to £1,100 and 1 per cent thereafter, NatWest's TouchScreen service, available at many NatWest branches, charges a minimum commission of £17 on deals up to £1,700 and 1 per cent thereafter for

and Wireless are the two latest companies to launch corporate PEPs and execution-only dealing services for their shareholders. The idea is to woo new shareholders and encourage existing ones to hold on to their shares in a tax-efficient way. Investors can place up to

28,000 worth of shares in a PEP in the 1990-91 tax year. The Reed International corporate PEP is for Reed's ordinary shares and is managed by CC&P Trustees. There is no initial charge, and the annual management charge is 0.5 per

Reed claims that some 35,000 deals of up to £10,000. Nor- of its 38,000 shareholders are shareholders to invest in a

more tax-efficient way. Reed is offering a share-dealing service through its brokers Cazenove & Co. They will charge a commission of 1 per cent (minimum of £10) for investors who want to buy or sell Reed shares.

Cable & Wireless is also offering its shareholders a dealing service through brokers Cazenove & Co. If you want to buy or sell shares in Cable & Wireless, the commission is 1 per cent commission with a minimum charge of £10.

The Cable & Wireless PEP comes in two forms. You may either invest all the money in

private investors, and that the PEP in Cable & Wireless 21,000 of them hold fewer than shares, or you can choose to shares, or you can choose to 1,000 shares each. They think invest half the amount in cheap dealing services and cor- Reed International and Cable that the PEP will help existing Cable & Wireless shares and half in the Cazenove UK Income & Growth fund. You can make a lump sum

investment (a minimum of £720 and maximum of £6,000) or invest between £80-£500 per month. ■ British Gas forms available

from: NatWest Stockbrokers,

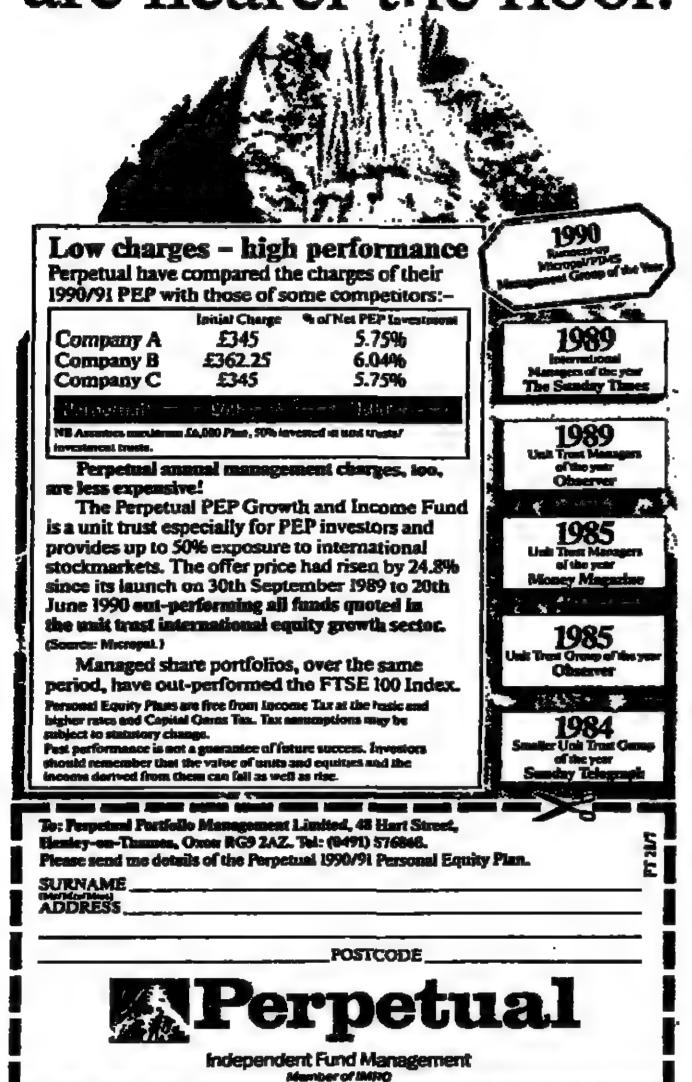
British Gas Information, FREE-

POST, London E1 8BR, tel

077-895-5454 ■ Reed International and Cable & Wireless details available from: Cazenove & Co. Company Share Schemes Department, 12 Tokenhouse Yard, London EC2R 7AN, tel 071-606-1768.

Sara Webb

Many PEP charges are set at roof level. Perpetual's are nearer the floor.



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Bond. Please phone. 🗋 Please send me more information.

# PRIVATE BANKING

The Financial Times proposes to publish this survey on:

1st October 1990

For a full editorial synopsis and advertisement details, please contact:

> Robert Forrester on 071-873 3206

or write to him at:

Number One Southwark Bridge London SE1 9HL

FINANCIAL TIMES

# FINANCE & THE FAMILY

Clients are suffering as firms stuggle to survive, says Barry Riley

# A time of turmoil for the private stockbroker

SIMON SHARP, chairman of the Birmingham stockbrokers Albert E Sharp, is about to embark on the delicate task of reassuring the 12,000 to 15,000 worried and sometimes angry private clients of Stock Beech, the troubled Bristol-based broking firm which Sharp has acquired.

He picks up the particularly nasty little problem of 1,250 or so Stock Beech clients who have some £15m of deposits locked away for an indefinite period in the suspended British & Commonwealth Merchant Bank. This is the banking arm of the failed British & Commonwealth group of which Stock Beech was until recently

a subsidiary. The rescue of Stock Beech has only been one incident in a period of unprecedented turmoil in private client broking. Nearly four years after the Stock Exchange's Big Bang restructuring in 1986, and three years after the stock market crash in 1987 which did so much to damage the confidence of private investors many broking firms are still

struggling to survive. Not all have succeeded. Kitcat & Aitken, a City of London firm with a large private client list, was suddenly closed by its Canadian owners in June. while Lovell, a Newcastle firm, can no longer trade after it was "hammered" by the Stock Exchange on July 10 following a botched attempt to merge with another troubled broker. Parrish. Lovell's associated investment management company, Herrington Financial Services, with £10m of client funds under its control, has been closed by its own regulator, the Investment Management Regulatory Organisation.

Although the loss-making Parrish is meanwhile said to be back on an even keel after a £3.6m injection of capital, its share price (it is the only listed broker) is bumping along at a nominal 5p or so. Elsewhere. it was announced

this week that another stockbroking firm, Charlton Seal Schaverein of Manchester, is to be broken up and sold in pieces to two other private client brokers, Wise Speke and Charles Stanley. Charlton Seal lost around £500,000 last year.

One worrying aspect of all this desperate wheeling and dealing, as far as the clients of such firms are concerned, is that they are no longer protected by the excellent compensation fund which used to be operated by the Stock Exchange. That was wound up two years ago in favour of the more modest investment industry scheme established by the Securities and Investments Board. It provides no protection above £50,000 - and in fact money deposited on a discretionary basis in a bank, such as BCMB, carries a lesser

degree of cover. But the danger of losing money is not the most serious

aspect: investments should ultimately be safe in the separate nominee accounts operated by such broking firms. The more immediate problem is the loss of continuity and service. Trusted executives may disappear without warning, it may be impossible to find out what is going on for weeks on end, and then when a

smooth-voiced replacement

broker eventually comes on

simply no longer profitable:

chatting to clients and suggest-

ing they buy this and sell that

the line he will probably have to admit, if pressed, that the new regime will be applying higher commissions and very likely fees on top. The latter aspect gets to the heart of the problems of private client broking. The traditional "advisory" service is

'A new 40-year-old client should be confident that his broker will be here for 25 years and will grow older with

> Mark Powell (right), chief executive of Laurence Keen

is no longer economic unless the clients are millionaires. Discretionary portfolio management is a more viable proposition, but even here it is becoming impossible for stockbrokers to make a living just out of commissions on transactions, which has been the traditional approach. They are having to charge fees on top, a policy which runs the risk of upsetting many clients.

As for the basic business of executing transactions in shares, that has to a large extent been taken over by the big banks and by one or two specialist newcomers such as Sharelink and Fidelity. Traditionally, private client

stockbroking was a number of businesses all wrapped up into one, under the umbrella of restrictive membership of the Stock Exchange and the protection of the scale of fixed commissions. There was the execution-only side, there was advice-giving, and there was discretionary portfolio management, including the running of nominee accounts.

To make things a little more complicated, bigger brokers often also subsidised their private client operations out of the profits they made on institutional business.

For a year or so after Big Bang the stockbroking firms were so busy they had no time or need to do any fundamental

thinking. But several years of losses are now forcing some

profound changes.
To start with, there is no longer any question of cross-subsidies. Private client broking has to stand on its own feet, which has already led to widespread rationalisation in City firms. Some of the London clients of the Stock group originally came from Hoare Govett, and they have now been spun off to new hrokers like James Capel. They must be bewildered.

But now, private client firms are wondering whether they need to be stockbrokers at all. The more successful of them are basically investment managers, looking after clients who between £50,000 and £1m. Many of those clients will be largely put into unit trusts rather than

equities directly, and there can be a lot of financial planning spin-off too, in pensions, inher-

Do such firms really need to be in the Stock Exchange at all? Should they not shift over to Imro and out of The Securities Association, which regulates Stock Exchange member firms?

itance tax provisions and the

According to Mark Powell, chief executive of the still profitable Laurence Keen, the crucial difference between stockbrokers and investment managers is that the former charge commissions on dealings (and if they charge fees as well, the commissions will be rebated against them). He thinks that it is important for his firm's client base that Laurence Keen is a member firm of the Stock Exchange and is located in the City of

But traditional attitudes could change. Many private client brokers are concerned at the change in attitude of the Stock Exchange, which nowadays calls itself the International Stock Exchange and is absorbed with extending its influence across Europe. It no longer seems to act seriously as the trade association for small private client firms in

According to Simon Sharp, the recent changes have been

the UK.

far too rapid. "The Government and the old Stock Exchange Council have done something irreversible to the market," he says. Nevertheless Albert E Sharp

has remained profitable, and has seized the chance to pay B & C's liquidators a relatively modest sum for Stock Beech "If we are offered another opportunity we will take that too," says Simon Sharp. Greater size will help, he says, so long as his firm does not have to splash out on extra facilities: 18 members of the staff of Stock Beech's Birmingham office are to be shoehorned into Sharp's existing offices, although the Bristol operation will remain separate. The combined group, under the clumsy name Albert E Sharp Stock Beech, will have client funds of £2bn under management, against the previous £1.2bn

Albert E Sharp's executives will now go all out to soothe the anxieties of the former Stock Beech clients. Simon Sharp has been talking to the Bank of England about the chance of releasing the blocked £15m. "We are going to try very hard to satisfy clients," he insists.

He points out that the deposits only amounted to 2 per cent of Stock Beech's funds under management, a lower proportion of liquidity than was common even in Albert E Sharp funds. There was no question, he says, of any attempt by the previous management to prop up the tottering B & C Group by diverting funds into the in-house bank.

There is no denying that a small proportion of Stock Beech's clients has been hard hit by the BCMB episode, however. It appears that the regulators had not foreseen the danger that "one-stop" financial groups might be overwhelmed by the bankruptcy of a holding company. Until just before Big Bang, stockbroking firms could not be owned by bigger groups and so the prudential risk arising from the placing of deposits in associated banks was not an issue. Plainly The Securities Association must look at this again.

But what about the impact on investor confidence of the colossal game of stockbroking musical chairs that is now in progress? Some firms are trying to swim against the tide. Mark Powell of Laurence Keen wants to continue the tradition of long-term relationships between broker and client

"A new 40-year-old client should be confident that his broker will be here for 25 years and will grow older with him." he insists. But right now, as private client stockbroking firms regroup in an increasingly undignified scramble for survival, Powell appears to be placed very much towards the optimistic end of the spectrum.

#### COMPANY NEWS SUMMARY TAKE-OVER BIDS AND MERGERS TT Group 35.40 Crystalale Epicure Inda. Heren AB Twd Earl courts Florex Fitch Lovell torfolk House Frost Gross 197.58 CAP Gemini Rank Org. Mecca Bank Org. Do.7.250 Cr. Pt. Pather Sec

held funconditional." Based on 2.30pm prices 27/7/90.†At suspension. \$58hares and Cash. # Offer values on at \$4.3m - bidder will retain no more than 51%. Bidder Already owned 41%

PRELIMINARY RESULTS									
Company	Year		z profit 180)		are (p)	Dividends*			
Abtrust Scotland	May	110#	(94‡)	0.5	(0.46)	0.45	(0.35		
Aer Lingus	Mar	37,000	(39,700)	_	(-)		(-)		
Aften Hume	Mar	2,210	(1,630 L)	2.39	(+)	1.0	(0.5)		
Asso Fresh Foods	Apr	3,600	(3,300)	-	(+)		<del>(-)</del>		
Banks Sidney C	Apr	2,160	(1,807)	20.1	(16.9)	8.0	(7.0)		
Black Arrow	Mar	3,750	(4,610)	9,44	(11.5)	4.2	(3.75		
Blacks Leisure	Mar	1,020	(2,850)	3.83	(120)	0.05	(0.15		
Brit. Bloodstock	Mar	352	(450)	8.1	(10.1)	8.8	(8.8)		
Broadcast Commis.			(454)	6.6	(8.8)		(-) 		
Budgens	Apr	11,830	(16.420)	10.6	(14.0)	5.0	(6.67		
Casket	Mar	3,170 L	(529)		(0.7)	0.1	(1.2)		
Delepak	Apr	1,920	(1,410)		(8.33)	4.0	(3.0)		
DBS Management	Mar	523	(152)	14.4	(4,4)	4.0	(2.0)		
Douglas Robert M.	Mar	12,390	(8,900)	47.5	(38.9)	10.5	(8.5)		
Dudley Jenkins	Apr	766	(531)	8.89	(7.48)	3.8	(3.0)		
Dyson J&J	Mar	2,500	(2,250)	13.4 31.4	(13.1) (51.0)	5.0	(5.0)		
Eve Group	MarS	4,620	(7,230)	18.8	(14.3)	8.5 5.4	(17.0) (4.5)		
Goode Durrant	Apr	13,500	(11,270)						
Heron Int'l.	Mer	65,300	(59,000)		(49.41	10.0	(+)		
Jacques Vert	Aprit	4,660	(6,430)	30.3	(43.8)		(11.5		
Kitty Little-	Jan	35	(402)	0.25	(2.9)	0.575	(1.5)		
Menvier-Swain	Apr	5,470	(3,580)	26.9	(21.0)	5.8	(5.2)		
MITTE Group	Mar	618	(353)	70.3	(7.4)	1.0	(+)		
Misys	May	11,100	(5,600)	23.5	(22.8)	5.28	(4.8)		
Mountleigh Group		46,800L	(69,300)	-	(16.6)	4.75	(4.75		
Murray Smaller	May	2,040‡	(1,890‡)	3.61	(3.34)	3.3	(2.65		
Northember	Apr	3,810	(6, 160)		(22.9)	2.5	(2.0)		
Platignum	Mar	260	(2,940 L)			-	H		
Seville	Apr	3,480	(8,520)	6.0	(12.0)		(3.75		
Smith David S	Apr	26,380	(33,030)		(33.7)		(8.75)		
Southend Prop.	Mer	8,440	(17,520)	3.19			(3.0)		
Templeton Emerg.		n/a	n/a	2.5	(-)	1.6	$\Theta^{-}$		
Trevien Holdings	Apr	2,070	(2,700)	12.3		3.3	(3.0)		
UPL Group		931 L	(332)	-	(5.28)	-	H		
Victoria Carpet	Mar	2,030	(2,750)	19.9		4.5	(4.25)		
Wood John D	Apr	425	(257)	3.2	(1.7)	2.2	(20)		
Worthington AJ	Mar .	465	(102)	3.3	(2.1)	0.625	$\{0.5\}$		

Company	Helf-year to	Pro-tex (£0	interim dividends* per chare (p)		
Aegle Group	June	34,600	(21,900)	2.75	{1.65
Affied Textile Co.	Mar	5,280	(5,170)	4.3	(4.1)
Baidwin	Apr	1,740 L	(944 L)	1.4	(1.15
Bank Lourni (CRC)	June -	1,6505	(1,350§)	4.5	(4.5)
Bensons Crisps	May	304	(321)	0.6	(0.6)
Berkeley Govett	June	22,700	(19,240)	7.0	(6.0)
Builough	Apr	11,640	(12,000)	1.75	(1.75
Cranbrook Einchronic	Mar	251 L	(113)		(0.5)
Dares Estates	June	3,660	(5,580)	0.25	(0.5)
Designant Electrical	Mar	645	(1,090)	1.65	(1.65)
Greenwich Resources	Mar	819 L	(911 L)	-	(-)
Hopworth -	June	50,120	(53,300)	5.5	(5.15)
HII & Smith	Mar	2,300	(2.860)	1.95.	(1.75
fotsour investments	June	55‡	(421)	•	(4.0)
CI	June	733,000	(925,000)	21.0	(21.0)
Jacobs John 1	June	597	(614)	1.5	(1.5)
LASMO	June .	32,4009	$(27,600\S)$	2.2	(2.0)
Owners Abroad Group	Apr	10,400L	(7,800 L)	0.82	(0.7)
ladius	May	1,390	(1,020)	0.9	(0.75)
teuters Holdings	June	167,000		4.4	(3.6)
lighte & leaves Mar.	.June	129‡	(1141)	2.0	(1.5)
tyan Hotels	Apr	362	(358)	0.5	(0.5)
iciective Assets Tst	June	1,330†	(9231)		(-)
EP Industrial Hidgs	Mar	1,160	(1,010)	0.44	(0.4)
elecomputing .	Mar	44 L	(332 L)		(-)
emple Ber Invest.	June	3,340#	(3,080#)	4.1	(3.7)
hrogmorton USM Tat.		453¥	(400F)		(+)
ribuse invest. Tet.	June	1,960‡	(1,790)	1.5	(0.85)
rust of Property	June	33‡	(421)	44.	(-)
Vidney	Mar	923 L	(24)	_	(0.5)

trish punis & pence.§ After lax profits.§§ Last years dividend includes special payment of 10p.11 Last years figures for a 15 month period. Figures quoted to US dollars & cents.

RIGHTS ISSUES

Broad Street Group is to raise £1.4m via a rights issue at 18p. Moinemey Properties is to raise £7m via a 2-for-1 rights issue at 120p.

OFFERS POR SALE, PLACINGS AND INTRODUCTIONS speciated Fresh Foods clans to join the stock market next year.

Company			Dividend (s	)*
Company	Announcement	Las	t your '	This y
FINAL DIVIDENDS	due .	int.	Final	fint.
Ashtead Group	- Monday	0.65		
COULER CHIEFER ISSUES	A4		1.85	1.0
July Electric International	Mindennia	2.0	-	1.5
CITUESEV PIDDAM GIAMA			9.1 2.2	20
FULLIFIER FERENCE CANDIDA		0.25	1.25	2.0
		1.0	3.0	0.25
	The second of the second			1.0
Mertycoms Wille	Billionelane"	0.89	4.89	
T 94-01		0.8	1.5	1.0
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## The Week Ahead Banks count cost of bad debts

THREE OF the "Big Four" clearing banks - NatWest, Midland, and Barclays, plus Abbey National, the former building society which floated on the stock market a year ago, top the list of companies reporting profits results this

market have joined Third World debt as a source of worry about the banks' performance. NatWest and Barclays should not have too much to worry about this time round on their developing country debts. They have already put aside 70 per cent of their Third World exposure, and a further 20 per cent is covered by other agreements, including the Brady Plan for Mexican debt, so any additional provisioning

Rising bad debts in the UK on this front should be minor. Midland's sovereign debt provisions are only 50 per cent, but it is not expected by stock broker's analysts to add heavily to its provisions at th

Compounded return

INTEREST RATES: WHAT YOU SHOULD (

stage.
The week's interim results kick off on Tuesday with Nat-West, in the news earlier this week after heavy second quarter losses in the US real estate market by its American subsidiary. Last year NatWest's interim pre-tax profits were £352m after putting aside provisions of £585m on Third World debt. This year profits should be around £550m, according to analysts.

ET FOR YOUR MONE	Y
Tax Amount (see invested Withdra sets) E (days	_

	Charles of	NOT CHARGO	where we	Of			
	rate %	25%	40%	payment	notes)	£	(days)
CLEARING BANK"							
High interest cheque	5.00	5.10	4.08	monthly	1	under 5,000	0-7
High interest cheque	9.20	9.60	7.68	monthly	1	5,000-9,999	0
High interest cheque	9.40	9.80	7.84	monthly	1	10,000-24,999	0
High interest cheque	9.60	10.00	8.00	monthly	1	25,000-49,999	Ð
High Interest cheque	10.20	10.70	8.56	monthly	1	50,000	0
BUILDING SOCIETY!							
Ordinary share	7.00	7.12	5.70	half-yearly	1	1-250,000	G
High Interest access	9.00	9.00	7.20	yearty	1	500	0
High interest access	9.75	9.75	7.60	yearly	1	2,000	0
High Interest access	10.26	10.25	8.20	yearly	1	5,000	0
High Interest access	10.50	10.50	8.40	yearly	1	10,000	Ō
90-day	10.25	10.51	8.41	half yearly	1	500-9,999	90
90-day	11.00	11.30	9.05	half yearty	1	10,000-24,999	90
90-day	11.50	11.83	9.46	half yearty	1	25,000	90
NATIONAL SAVINGS							
investment account	12.75	9.56	7.65	yearly	2	5-25,000	1 mth
Income bonds	13.50	10.12	8.10	monthly	2	2,000-25,000	3 mths
Capital bonds	13.00	9.75	7.80	yearly	2	100 min.	3 mths
35th issued	9.50	9.50	9.50	not applica	3	25-1,000	8
Yearly plan	9.50	9.50	9.50	not applica	3	20-200/month	14
General extension	5.01	5.01	5.01	not applica	3	-	8
MONEY MARKET ACCOUNT							
Schroder Wagg	10.82	11.37	9.10	monthly	1	2,500	0
Provincial Bank	11.02	11.59	9.27	monthly	1	1,000	0
LIK GOVERNMENT STOCKS							
8po Treasury 1991	18.01	10.93	9.67	half yearly	4	-	0
Spc Treasury 1982	12.86	10.76	9.50	half yearly	4	-	0
10.26pc Exchequer 1985	11.98	9.32	7.72	half yearly	4	-	0
8.5pc Treesury 1994	12.28	10.01	8.64	half yearty	4	•	0
Spc Treasury 1992	10.63	9.81	9.32	half yearly	4	-	0
Index-linked 2pc190295	13.35	11.11	10.80	half yearly	2/4	-	0

"Lloyds Bank. Halifax 90-day; immediate access for balances over £5,000.0 Special facility for extra £10,000 \$Source:Phillips and Drew. §\$Assumes 6.0 per cent inflation rate. 1 Paid after deduction of composite rate tax. 2 Paid gross, 3 Tax free, 4 Dividends paid after deduction of basic rate tax.

reports on Wednesday, UBS Phillips & Drew forecast a rise of 10 per cent to £278m on las year's first half pre-tax profits of £253m. Though mortgage arrears are increasing and pro visions could be double las year's levels, provisions should be less than 5 per cent of total operating profit, Midland Bank's results on

Thursday will be keenly watched: later this year it is expected to move towards merger with Hongkong Shanghai Bank. Last year i posted a loss of £531m at the half year, after Third World debt provisions of 2846m. Si Kit McMahon, the chairman of Midland, has already warned shareholders to brace them selves for poor results. James Capel and UBS Phillips & Drew forecast a pre-tax profit around £190m this time.

Barclays, which reports on Friday, looks set to retain its place as the leader of the sector. Its capital base is very strong, but its UK lending book grew very rapidly between 1987 and 1989 and it has already been hit by the British & Commonwealth debacle, against which it has had to put aside £100m. Last year it made pretax profits at the interim of £590m after provisions of £233m on Third World debt. Kleinwort Benson forecast that interim pre-tax profits will climb to £698m this time

Half-yearly results on Monday from the computers-andcables group STC are expected to show a 30 per cent slump in taxable profits to about £80m. but the figures could turn out to be upstaged by details of STC's much-leaked plan to sell most of its ICL computer making subsidiary to Japan's Fujitsu. Commentators reckon Fujitsu will buy 80 per cent of ICL, for about 2750m.

# Hard deals on the black market

IT WAS a Seturday, it was raining and we were hungry. We had reckoned that the lunch (Siblu salami) supplied by Tarom, the Romanian airline, must have travelled from Bucharest, via Vienna, to Chicago, and all the way back to Romania.

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Otepeni airport, Just outside Buc-barest, the capital, was half asleep. The lady at the visa office had gone off for a very long lunch. There was nobody around except some bored passport control guards. We waited - that is all we could do. Without paying for the visa tax, we could not get through passport control.

There were some armed guards dragging their feet. After a while, one of them came over to us. But instead of telling us when the exchange/visa office would open, he asked, without any qualms: "Change money? You want to change money? Good rate."

one thing changing money on the black market and among friends. But when a uniformed border guard on duty asked us, our first thought was: is this man serious? And then a second thought occurred: is this a provocation?

We politely said no. The real money-changing lady eventually reappeared. She took our \$21. stamped our passports and said "Have a pleasant stay." We passed through the other controls and

headed into the centre. Now that eastern Europe is accessible to the curious (and uninitiated), this small incident proves two things: the black market is thriving as more people need hard currency; and no significant price/ currency reforms have yet taken place in several of these countries. Although the Wall is down and former communist regimes are in

the threes of economic reforms, it remains illegal to bring in, or take out, the local currencies. These currencies are not only non-convertible. They are the property of the state. I was reminded of this many years ago when I first visited

Moscow. A friend in London had given me some roubles. Little did I think anything of it when I filled out the lengthy forms on the Aeroflot flight, "What currencies do you have. Answer: dollars and roubles. "Roubles?! Roubles?!" the stern

lady at the airport customs desk exclaimed (in tones which reminding me of Wilde's Lady Bracknell). "Yes." [ said. The guards milled around her. They had obviously ans who want to flaunt their

never met anyone so stupid as to declare their black market roubles. I filled out many, many more forms. My roubles were summarily confiscated and the innocence of my first foray into eastern Europe and the Soviet Union quickly evaporated.

Hence, the lingering Russian memory after arriving one late Sunday night at Sofia airport.
The local branch of the National Bank of the People's Republic of Bulgaria was closed. I had no leva, the local currency, to pay the taxi or make a phone call. As if that mattered. Bulgarian taxi drivers,

like their Romanian counterparts,

are bankers in their own right.

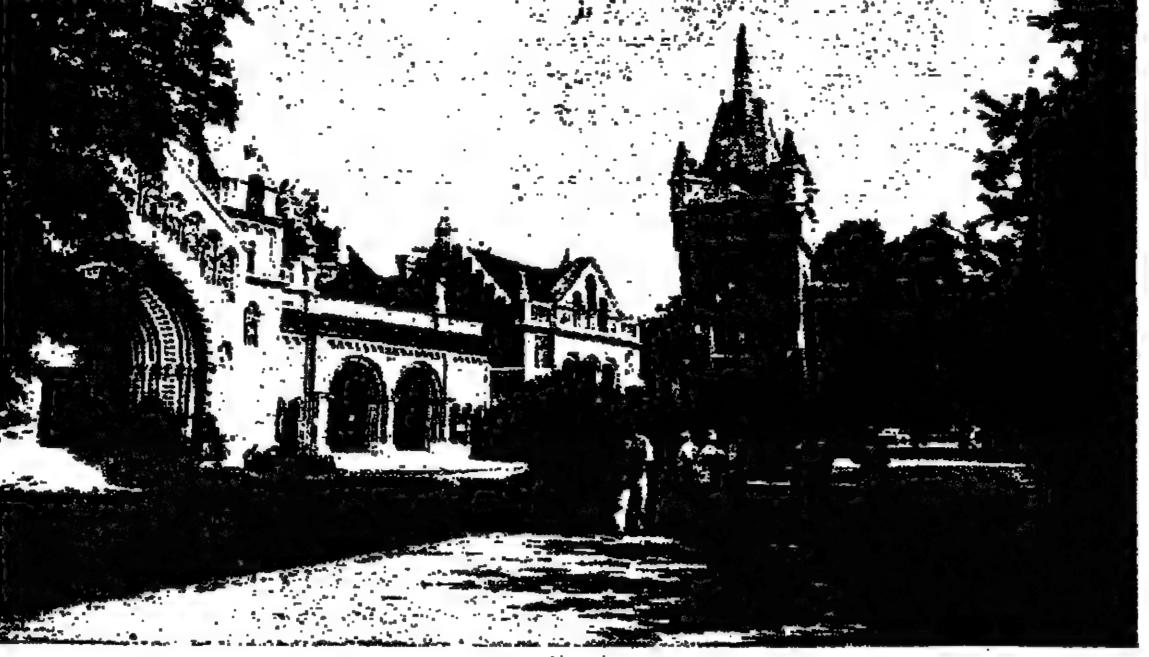
"You want ride to centre, No problem." (a typical refrain in this part of the world where "there is never any problem.") After a few seconds, the taxi driver was transformed into an efficient foreign exchange dealer, except for one onference. You have to argue. In the Balkans, it is a must to negotiate the exchange rate. If you already know the official rate, multiply (at least) by five - otherwise you will

definitely be taken for a ride. In Bulgaria, as everywhere else in eastern Europe, hard currency is in short supply. Everybody needs it, to pay for the western visa, to travel to the west, to buy scarce goods in the hard currency shops, or to trade on the black market where the real traders will sometimes mark up the dollar 10-to-one against the local

'It remains illegal to bring in, or take out, the local currencies'

Not that I am advocating the black market. It is a risky and illegal business. The authorities are trying to stamp it out, sometimes by turning their hapless inspectors into taxi-drivers who also want hard currency. Or else by the simple and sensible way of giving anyone who stays at a hotel a special tourist rate.

This is where numeracy helps. In the Sheraton in Sofia, there are two main restaurants. The up-market Balkan restaurant charges about 3 leva to the dollar. Bulgari-



Old Budapost: developing a busy currency black market

wealth, eat there. Those who want to pay in (black) leva can dine at the Melnik, or Grill. But there, the authorities have wised up: the prices now correspond to the black market rate. It is the authorities' way of mopping up the black market and doing the dealers out of

Dealers are ubiquitous in Romania, now that it is legal to hold hard currency. But it is wise to avoid the street money changers. They are definitely not to be trusted. The rate may be good, at 10 to one, but the money is bad. You may be attracted by that thick wad of purple lei notes, but beyond the first few notes are layers of old newspapers. You have been warned. This happened to a colleague in Warsaw, before the Mazowiecki government made the Polish zloty practically convertible.

In Yugoslavia, the black market has disappeared because the dinar is convertible. The only thing you have to remember is that since January, there are old and new notes co-existing side by side. So when you see a 200,000 dinar note, simply ignore the last four zeros which leaves you with \$1.70.

In Czechoslovakia, the koruna, or crown, is thriving on the black market and the black market in neighbouring Hungary is increasing all the time. Hungarians, like the Czechs, are desperate for hard currency now that they can pop across the border for a day's (expensive) shopping in Vienna.

The first-time traveller will be confused by the black market, by the various rates of exchange between the commercial rate (for business), the tourist rate (pocket money for tourists) and the official rate (hotel bills). They will wonder whether or not they should illegally bring in currency which is the property of the State.

But in reality it is all very straightforward.

The golden rules are: ■ Do not worry if you arrive at the airport or railway station late at night and all the banks are closed. Most taxi drivers accept hard currency but they will try to rip you off. Unofficial (hard currency) taxi charges from the airport to the centre are, roughly: Sofia \$5; Bucharest \$10; Belgrade \$17; Prague \$10; Budapest \$10; Warsaw \$15. Most hotels accept credit cards,

but if staying in pensions, cash preferably dollars or D-Marks - is much better. ■ Travellers cheques are accepted

by some hotels, but as with credit cards you will be charged at the official exchange rate. Forget about using Eurocheques or cash dispenser machines opportunities for these are few and

far between. ■ Eastern Europe is riddled with pickpockets. The black market is a help only if Europe where they will eventually you want extra pocket money for find a place and price on the black eating out. The official rate market. Who knows - maybe that

Czechoslovakia where the local currency is overvalued, especially for accommodation (most of which has to be paid in hard currency but at a ludicrously overvalued exchange rate) and for eating where the local currency is accepted.

Be careful about how you use the black market. You can only pay your hotel bill in local currency if you have the exchange receipts to prove you changed at the official rate. You might also be asked to show currency exchange receipts for expensive items such as china and carpets.

If you are reluctant to change money on the black market in any of these countries, you can always stop over in Vienna where the banks are doing a brisk but verboten

Even better, savour the shady but exotic world of buying and selling money and goods by visiting the market along the banks of the Danube at Mexikoplatz near Vienna.

There, you have a microcosm of eastern Europe and the Soviet Union in all its (fading and former) glory. The babble of Georgian and Polish. Hungarian and Romanian. Bulgarian and Turkish, Yiddish and Czech, fill the air as old and young buy and sell money, electronic goods and coffee. Most of these wind their way back to eastern deserves to be challenged, espe- is where the Sibiu salami came cially in Bulgaria, Romania and from.

# Small pickings for big spenders

LIFE CAN be hell if you're an eastern European fund manager. You spend your business trips in sordid hotels eating boiled cabbage only to find that half your competitors are staying in the same places and fighting for the same 49 per cent stake in some half-presentable eastern European water-bottling

The problem for these fund managers is that they have too much money at their disposal and not enough choice over where to put it. Take the Hungary Fund, a

months ago by Bear Stearns. (Bear Stearns has a 10 per cent stake in the fund's management company, while the National Bank of Hunhas a 40 per cent stake). Earfund still hadn't made a single mainly from institutional and high net worth investors is sitting in Eurodollar CDs, making about 8 per cent: hardly where the investors intended their money to go.

The investment manager is negotisting with several Hungarian companies and hopes that the fund will eventually be invested in various unlisted securities and joint ventures. For as one of his rivals pointed out: "All they've got listed on the stock exchange in Hungary is Ihusz (a travel agency and tour operator)."

Sound investments are hard to spot. Abtrust paid £200,000 for a 43 per cent stake in Radio Solidarity, a Polish commercial radio station.



Historic Prague: a quiet spot for fund menagers

The investment is split between Abtrust's New European invest-

ment trust and its Radiotrust. John Morton, Abtrust's European investment manager, thinks Radio Solidarity is "a good brand name with low start-up costs." He says that the radio station is unlikely to make a profit in the first year, but adds that the funds will "probably keep hold of the investment for quite a while because the potential reward is very good." Morton says his strategy is to take big stakes in companies and to avoid cramming closed-end fund launched six his portfolio full of shares which "won't come to fruition for five

Some fund managers (particularly those who run unit trusts, which are more restricted than investment lier this week, a spokesman said the trusts when it comes to investing in unquoted shares) have chosen to investment. The \$76m (£m) raised invest in western companies which are likely to benefit from the restructuring of eastern Europe. Certain West German and Austrian shares were particularly popular at the end of last year, but fund managers now see them as overvalued.

Apart from having too much money to invest in eastern Europe. the fund managers face various problems. The Hungary Fund spokesman says: "It is difficult to get financial information, the accounting principles are very different from in the west and it is difficult to make valuations and to calculate earnings. There is no bank of information on business values or property values to turn to."

Patricia Maxwell-Arnot, eastern European specialist at Lazard, agrees. "There's no question about it - it's difficult to pick an investment in eastern Europe. It's a question of finding a partner, for which there is plenty of competition, and of valuing the assets. East European companies are reluctant to make decisions about which western partner to choose, and whether to go for a majority shareholding, or a partial interest, and how much capital to ask for.

However, her own view is that it will take time to build up investments in eastern Europe: "Everyone is being frightfully impatient over how quickly things get off the ground - a year is not a very long time given the transformation from a command economy to a capitalist one and too many people expect things to happen overnight."

# Tax avoidance? get an accountant

MY WIFE runs a business as a | The building society sole trader from premises owned by her. To date the business has made losses and l have been permitted to offset these losses against my PAYE income tax liability. As a result of the introduction of separate taxation for husband and wife from the 5th April 1990, I understand that this will no longer be permitted. To deal with this, I became a partner in the business effective January 1, with a view to being allowed to aggregate the profits and losses of the business against other income of either of us on a flexible basis. I have and will support her

business by the provision of substantial capital and time. I have now been advised that to achieve the desired flexible allocation of profits and losses the business premises and associated debt must

be put in both our names. 1. Will this bring the destred result and shelter any losses? I understand that we run the risk that the Tax authorities may disallow the whole bustness as non-commercial.

debt and the premises in joint 3. If so, will Stamp Duty be payable on the change of ownership and if so on what

2. Is it necessary to put the

Tax avoidance is not that easy. Surely the time has come when you and your wife should engage the services of an accountant, rather than trying to get by on the basis of bits of advice from various sources, including a newspaper (even thought it be the FT). It will be very difficult to persuade the Revenue - or the Appeal Commissioners - that the business is being conducted on a commercial basis if the partnership has no accountant. Briefly, the answers to questions I and 2 are both no. The solicitor who drew up the partnership deed for you at the end of last year will be able to recommend a suitable accountant, if need be.

#### Signing powers

of course.

You have emphasised the requirement to keep a wife's finances separate from the husband's to take advantage of tax laws in 1990/1. I have transferred all shares to my account, previously in our two names, has been converted to her name only. She will pay all dividends into that account

suggested that she sign an "Authority to operate an investment account," appointing me to operate the account and to make investments and withdrawals. I imagine that this might be a facility which is provided for clubs and societies when they own money which is in an account operated by a paid official.

Although this would be a convenient arrangement to have in the case of myself and wife, I am concerned that the tax authorities may claim that it breaches the tax laws. The building society say it does not. What do you think? ■ We recommend against it. It is not a question of a breach of the tax law - it is a question of whether such an arrangement would fall within the ambit of section 674A of the Income and Corporation Taxes Act 1988, bearing in mind that the word "settlement" is defined by section 681(4) as including any disposition, agreement or arrangement.

#### Transfer of lease

When my wife and I bought the lease of our flat two years ago we had it registered in my wife's name only. We now wish to put it in our joint names. What is the simplest way to do this.

Your wife will need to execute a transfer to herself and you. Alternatively she can make a declaration of trust in favour of the two of you and follow it with a deed appointing you a trustee to act jointly with her as trustee of the trusts which she has declared.

#### Death of a share holder

I am a widower with three adult children. We are joint holders of UK shares and UK unit trusts and also have a dents and which provide small joint bank current investment income. These account. One of the smaller companies was the subject of a takeover bid recently and I noticed in the offer document that in the case of a deceased joint holder a death certificate and evidence of probate or administration would have to be produced. I was under the impression that on my death the surviving joint holders wife. A building society would only have to produce a certified copy of my death certificate to the registrars and to the bank and that probate and/or administration would | savings and use. be unnecessary. Am I correct?

# BRIEFCASE

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be assured by post as earn as possible.

Probate or letter of administration is not necessary to establish the right of survivors of a joint tenancy. Evidence of death (a certified copy of the entry on the Register of Deaths) should suffice.

I am employed in a small

#### **Employment** WOTTY

retail company whose owner is likely to retire soon and sell the business. I have worked for him for 12 years. I do not have a contract. He has said that he will see me right, but I am concerned that a new owner might force me to resign to avoid paying redundancy. This is common practice in the industry. Can you suggest a way or ways in which I can establish a right to benefit in the event of the company changing hands? ■ Your best course would be to get your present employer to record your current terms of employment in a written contract. You can explain to him your concern to be protected. Even without a written contract you would be entitled to redundancy pay if you were ousted from your employment in circumstances which give

#### rise to a redundancy claim. Must we split?

Since we were married, over 30 years ago, my wife and I foreign coins are still legal tenhave always used joint bank- der in their home countries. ing accounts, and nearly all Ask your tax inspector's office our unit trust and equity | for the free introductory bookinvestments are in our joint let on capital gains tax

We have three small houses which are let to university stuproperties are also in our joint names, and the income from My solicitor makes our wills them goes into one of our joint accounts. The house we live in is also in our joint names.

We are both retired, and our income derives from my occunational pension, state pensions, dividends on unit trusts | No. every alteration to a will and shares, and rental income | should be made either by a from the properties. All these have always been paid into joint accounts. We also both by the testator in the presence have small individual accounts of two witnesses (who should which we hold for personal not be beneficiaries under the Until last July, when my the codicil.

wife retired, her personal tax allowance was always set against her salary. We expected to lose this personal allowance when she retired, but of course, the new separate taxation rules will mean that she can in future set her personal allowances against her investment income.

Will we have to physically split our investment income and pay it into individual accounts, to ensure that we qualify for the separate allowance? Or worse still, will we have to split all our joint holdings, including the properties, to comply with the inland revenue requirements?

■ We are pleased to be able to say that we see no reason to disturb the existing arrangements. You may like to ask your tax office for the free pamphlets IR81 (Independent taxation: a guide for pensioners) and IR90 (Independent taxation: a guide to tax allowances and reliefs).

#### Sovereign investment

I have a quantity of sovereigns dated from 1820 to 1914. Most are Victorian, Edwardian, George V and some foreign. Some were left to me by my grandfather, and others, I purchased at odd times, and it would be very difficult to state exactly the cost price of the ones I purchased, as I did not keep a record. I am thinking of disposing of them and would like to know my position regarding tax. ■ Sovereigns dated 1838 or later are exempt from capital gains tax, by virtue of section 19(1) of the Capital Gains Tax Act 1979. Sovereigns dated

before 1838 and foreign coins will be exempt from CGT by virtue of section 128(1) of the CGT Act, as amended, unless a set (or a number of identical coins) is sold for more than £6,000 - or unless any of the

out sending us a copy and retaining one himself. Smail changes cost a large amount. Would it be sufficient to attach a signed note to our copy to make small additions? new will or by a note (called a codicil) which must be signed will or codicil) who must sign

# And the first term of the first term of the second of the Electronic fund performance analysis

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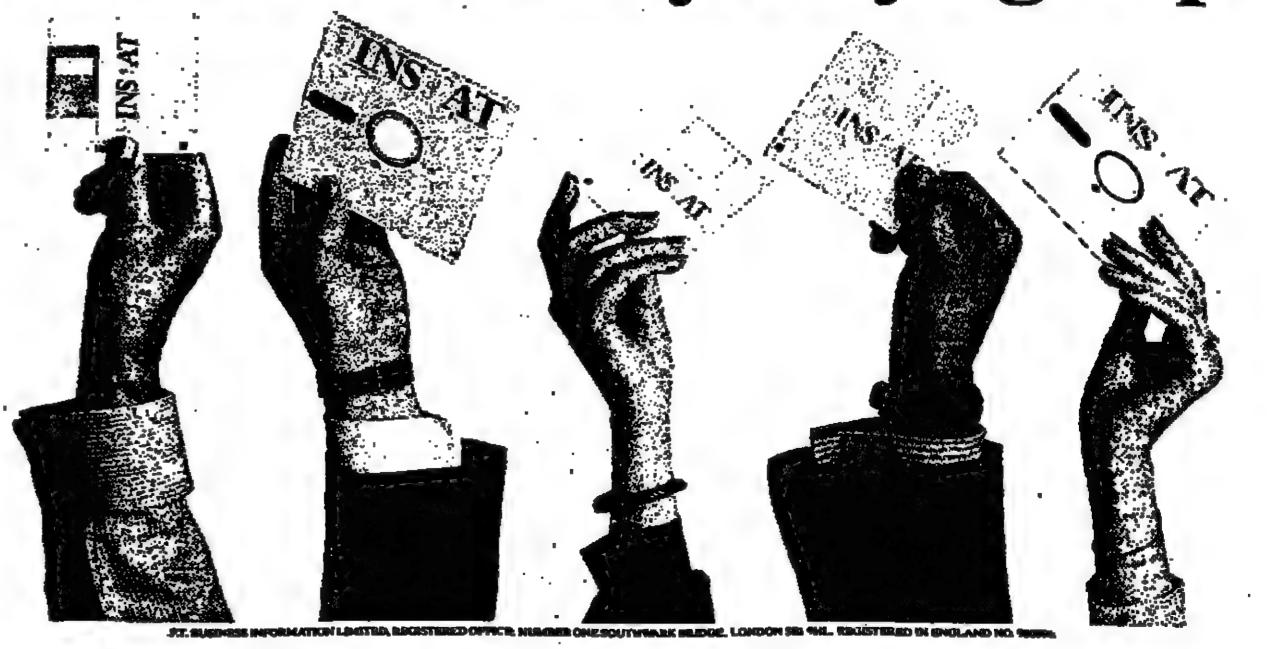
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# Clive Fewins reports on a mineral water venture Source of inspiration

WHAT CAN BE done with a worked-out village quarry? That was the problem that faced Cotswolds businessman John Brown whose family has owned the land at Hanborough for three generations.

Five years ago he was contemplating retirement, having sold his successful plant hire business to a national concern. Now he is helping his son to

run a new plant producing 22-litre bottles of mineral water at a rate of 400 an hour. It is one of only 15 British brands to be awarded full natural mineral water status by the regulatory

adventure started almost 10 years ago when John Brown remarked to his son Jonathan that he would like to trace the spring on his land which constantly disgorges fresh water into the small local river Evenlode.

Jonathan, who was 25, did not take a great deal of notice at the time. But with typical determination, his father employed a water diviner, who advised them to sink a borehole through the floor of the old quarry.

After two tries and an outlay of £25,000, they hit such a strong source that a temporary pipeline had to be installed to carry the 2,300 gallons an hour flow going into the river. The water authority said the source was so plentiful that there would be no objection to extraction.

John Brown was several stages nearer to his dream of bottling his own mineral water. But there was still the

major issue of what the water analysts would have to say. Luck was again on his side when detailed analysis showed that the water was of great purity - still, virtually tasteless and low in sodium. In short, ideal.

The complexities of obtaining full mineral water status took almost five years. During that time there was much agonising over whether to go

The next stage for Crystal is to attack the domestic market

ahead with the project, particularly as the Browns found themselves faced with further speculative costs of almost £40,000 and a mountain of bureaucracy, both in this country and in France where water samples eventually went for approval

After selling JHB Plant Hire in 1986, however, John Brown's entrepreneurial flair got the better of him and, pending approval from Brussels, he decided to go ahead. He took a back seat and Jonathan, who had spent a nail-biting few years wondering if he ever would become managing director of the Crystal Natural Mineral Water Company, took over the project.

He rapidly became a convert to his father's ideas and spent a summer touring Europe sampling all the mineral waters he

could find. The plant that stands beside the source on the quarry floor took six months to build and, together with the fil-tration and bottling equip-ment, cost £800,000. Jonathan put up £100,000, as did his part-ner, Terry Bingham. A further £450,000 is on extended loan from a bank.

The task is to recoup the cost and get into profit as fast as possible. So far they are well on course to break even by October 1991 - two years after start-up. John Brown comes in and helps when required, while Jonathan and his staff of four look after the day-to-day running of the plant.

Terry Bingham, who has 34 rears experience in automatic food dispensers and associated products and runs his own company from nearby Whitney, is chairman of Crystal. He is constantly on hand to advise on the commercial market in which Crystal has opted to concentrate its sales effort.

The biggest market for the water is to offices, where there is an increasing demand for pure drinking water and for making tea, coffee and other drinks. Jonathan Brown runs a daily service delivering full 22litre polycarbonate containers and collecting empties for sterilisation and refilling. Companies as far affeld as south London and Derbyshire are either renting or buying the containers and the associated dispensing and chilling equipment. The next stage for Crystal is

Family consumption, particto attack the domestic market. Twenty-two litres at a time might seem to be verging on

Crystal clear: Jonathan Brown at the Witney bottling plant

overkill for the requirements of an average family, but it could be easier to buy in bulk than to trudge home from the supermarket carrying litres in the weekly shopping.

ularly among children in the summer, is another consideration. It may be possible to per-

suade health conscious families that a large container in the kitchen with the blue and cream Crystal logo really does contain something good -Adam's Ale, in fact. Crystal Spring Water Co Ltd,

Silk Hill, Long Hanborough, Oxon, OX7 2BT (tel 0993-883593).

# How bank managers struggle for a little understanding

executive.

SPARE A thought for your bank manager. Entrepreneurs tend to greet refusals to extend their credit with reactions from straightforward outrage to sheer incredulity, but bank managers often have terrible difficulty understanding precisely what clients mean. Here is a glimpse of the secret phrase book banks use to translate customer

gambits. Phrase: "We're having temporary cashflow problems." True Meaning: "For the umpteenth successive month our outgoings have comfortably exceeded our income."

understand me." "The old fool whom I conned for all those years has retired and his successor is rather sharper."

"My new bank manager doesn't

"All I need for this project to take off is a bank prepared to back me." "I have nothing to put into this untested venture. I would like the bank to take all the risk for a 2 per cent return, while I have all the rewards."

"The new computer will sort out all our accounting problems." "Twe just been sold this machine by a cowboy, and no-one in the office has a clue how to operate it."

"T've managed to pick up just the contract for the business to take off." "By undercutting everyone else, I've managed to obtain an order which will absorb all my resources and be carried out at a substantial loss." "The last decade was an unlucky one

in some ways." "During the last 10 years, I've started

up 27 different businesses, all of which have failed. I've no idea why!" "Can you introduce me to an astute accountant?"

"I'd like to meet a dishonest accountant who will fiddle my books."

"I wouldn't normally complain, but it's a matter of principle." Tve contributed to a bank error, but, as it's gone against me. I want the

money back." "I would be pleased to co-operate, but it's a matter of principle." "A bank error has gone in my favour and I intend to keep the money.

"Of course I will give security for the

loan when the time is right." "While the business remains highly vulnerable, I'd like you to carry all the risk, please."

"One of the people who signs cheques is on holiday/off sick, etc." "We're doing everything we can to delay paying."

"I see it as an investment for the future of the business." "Td really like a new BMW to show off to the neighbours. Oh, and incidentally, my son wants a Porsche." "The overdraft on the farm account

fluctuates with the seasonal nature of the business." "We manage to get the borrowing

down to the agreed ceiling figure when the harvest comes in."

Roger Bardell

The writer is a Lloyds Bank

Alice Thomson visits a one-man software house

# A laid-back approach

"IF I HAVE to make a difficult phone call and I know I'll have to assert myself, I dress up in a suit and tie, otherwise it's jeans and meakers." Robert Nowell runs a computer consultancy

and software business from his one-bedroom flat in Islington, London. His office doubles as his sitting room, kitchen and dining room. The computer is neatly tucked away in the corner and the printer is in the hall.

"It is difficult to work from home. It's always when you are just sitting down to work that you remember about last night's washing up or that the kitchen floor needs cleaning. Nowell doesn't fit neatly into the customary

role of young entrepreneurial businessman. His aim is not try to create a new software empire but to obtain a respectable income while also pursuing what he sees as his real vocation in psychotherapy and painting. By giving up an office job and marketing his skill as a freelan-

the three months that Nowell has been working as a freelance consultant, he's already begun to appreciate the change. "I enjoy the freedom to work when I want and take time off when I feel like it. Not getting stuck in traffic lams with the rest of the world during hank holidays is a definite bonus."

Discipline is harder. At the beginning Nowell found it quite easy because the work was such a challenge and he wanted to prove he could do it but now he tends to wait for a deadline and then work all night. "Sometimes I miss outside stimulation. Once you switch off it's hard to switch back on again and there's always the temptation to stay in bed in the mornings.

"I don't want to go back into an office. I built up a lot of resentments to office life. It used to annoy me that you always had to look busy even when you had nothing productive to do.

You're never allowed to work in your own way." All Nowell's work at present comes from one contract to an actuality consultancy firm, CAPS, providing the software for a pension valuation scheme. He got the work through his old firm who asked him to leave when he'd already done a preliminary report on the pension project.

The firm, Bacon & Woodrow, had employed Nowell for four years as an analyst programmer, working on a range of complex computer programming schemes. They decided that they didn't want the contract now that Nowell had left the staff, so Nowell offered to do it from home and his business was set un.

Nowell had just bought a PC Tandon 386 for £2,000, a laser printer for £1,000 and now has software worth £600. "About ten years ago, setting up a business like this would have been technologically impossible, it wouldn't have fitted into my entire floor space and would have

cost about £50,000," he says The business is run on a stringent financial basis. He employs an accountant and does all his contracts and legal work himself.

"I enjoy the responsibility and haggling, keeping your client happy and not depending on an employer. I have never liked the concept of the employer acting as patron and master of your status, security and job."

It took some time for Nowell to grasp invoices and reading through contracts. He has also only recently got around to getting letterheads and cards printed, a necessity even for a one-man



Robert Nowell in his 'telephone tie'

company.

Negotiating fees was the hardest part of going freelance. Nowell felt that he couldn't charge as much as Bacon & Woodrow, an established firm. He worked out the project would take him 60 days. Becon & Woodrow's fee would have been £29,000, so Nowell charged £19,000.

CAPS was satisfied and Nowell is confident that he will deliver the software on time. The contract has worked out so well that Nowell is now going to talk to Bacon & Woodrow about

negotiating another deal. Now 35. Nowell has been interested in computers since he was 12 when he visited the then innovative new computer at Orford. He read pure maths at Cambridge University and began working for hospitals and electronics firms on research teams. He is now a highly professional

computer programmer. But his interests in psychotherapy and painting are what really motivate him. He has already done a two-year psychotherapy course and wants to finish the training. Working from home means he can also spend afternoons painting and the still-life drawings above the staircase testify to his skills.

"I don't see myself expanding my business, I just want to see if I can keep it going. "Thinking about taking on other people is an enormous step and I would have to really market my company which would take a great investment of energy. But I'd like to get more sources so I can get a nice flow of money and

finish off my psychotherapy training." "I'm probably the smallest software house in England, but as long as you're confident of what you can offer, being single and independent can be lucrative as well as giving you far more. self-esteem." ■ Robert Nowell, 18 Barnsbury Rd, London N1

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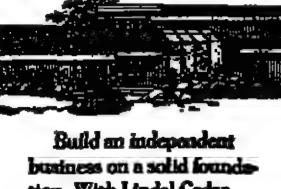
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Was not, I must own, an unqualified triumph. It began badly, and ended prematurely although there were, in between, one or two mildly redeeming aspects, amounting to a tantalising taste of what might have

My introduction to the country was an eight-hour wait at the border with Romania, and an expensive early morning embrace from the many tentacled monster created by the Bulgarian authorities to separate foreigners from their precious currency. After that, however, things — for a time at least — looked up.

The credit for that goes to the secretary of the Fishing Union, Zachary ("Ary") Arsov, and his English-speaking colleague, Danko Poliakov. I arrived on their doorstep without warning, the Bulgarian Tourtheir existence - and, indeed, unable to establish for my benefit whether there were any fish in Bulgaria. But, being true sports. Ary and Danko rose to the occa-

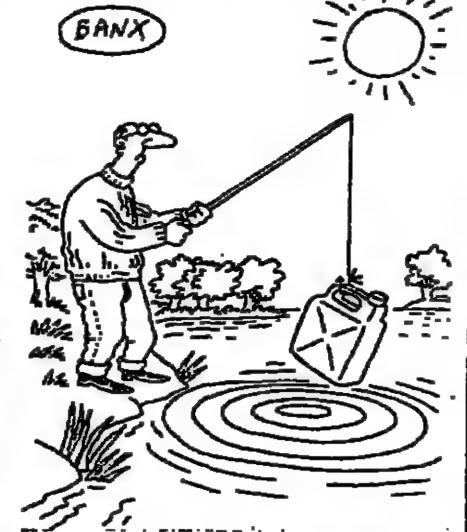
Within a few hours a minivan and driver were commandeered, and we were soon bouncing up the road into the Rila Mountains, and the famous monastery deep within. Beneath its mighty walls and the tourist coaches, flows the Rilska River. and in a shaded spot beside its foaming waters we found the Local Expert.

Every angler is familiar with the Local Expert. He knows the places other men do not know, and uses flies no-one else has thought of. When we think we have done The latest the same well, he has done better. When we have caught nothing, he always has a brace or two. He was made to make us angry, and then humble. If we listen to him - and. more often than not, he is happy to share his secrets - we will learn.

Unfortunately, my communication with this choice example of the species was necessarily limited, as we had no language in common. But he sat me down, plied me with apricot brandy and salty goat's milk cheese, displayed a pair of trout he had caught that morning, tied me a fly of bizarre appearance made from wild boar's hair, then grasped his bamboo with twine attached (no nonsense about reels) and bid me follow.

It was easier to understand the instruction than to follow it. He bounded from boulder to boulder like a chamois, pausing momentarily to drop his fly here and there. I was - I must confess - hard pressed to match his pace, in fact, keeping him in sight rapidly replaced fishing as my first priority, since I was anxious not to become lost in this wild unpopulated

On the rare occasion I had leisure to fish a pool, I found the trout would come at the fly but would not take hold. The Local Expert, when I caught up with him, gesticulated at the sun. We were able to agree



that it was in the wrong place and likely to remain so. So we went back. The expert asked of my companions how old I was. I fear the red face, the gasping and wheez-ing, the slipping and sliding, had been noted.

That night we stayed at a trout farm run by the fishing association for stocking rivers, which lies in a bowl fringed by the Rila, Pirin and Rhodope Mountains. On the morrow, bright and early, I was shown the neighbouring stream and advised to begin operations. If my friend Ary Arsov has a fault, it is that he is somewhat sparing with advice - which combined with the Bulgarian habit of shaking the head to signify assent (and nodding for the contrary) made me a little hazy as to what I should do.

The stream was very small, the water very clear. With the removal of about 2,000 mature trees it would have made a delightful piece of dry fly fishing. As it was, all I could do was to catapult my flies through the infrequent gaps in the foliage. In one of these spots, an eager little fellow impaled himself. He was a rainbow, clearly originating from the farm, but a Bulgarian trout nonetheless, and my only one.

For that, in truth, was the sum of it. We visited some lakes in the Rhodopes - in one of which a trout of 25lb had been caught, using fish eggs as a bait, I am sad to say. But with the sun high above us and all sensible fish out of sight, drinking beer in the shade and admiring the soaring peaks seemed a better bet than flogging the unforgiving water.

This little jaunt at an end, I had intended to take off on my own to try some of the other streams of which I had heard good reports. Details on these and other matters may be had from Zachary Arsov at 31-33 Bulevard Vitosha, Sofia.

But a vital element was lacking: petrol for my car. A mysterious fuel drought had gripped the capital, and in the end I had to flee to the Yugoslav border with precious few fluid ounces to spare. I was particularly annoyed to have had to pass up an invitation to return to the Rilska and to stay in one of the monks' cells in the Monastery.

I had entertained visions of showing the Local Expert a thing or two; perhaps even of supplying the Abbot (if they have one) with his breakfast, as was perhaps the duty of some lucky monk in times past. If was - in case I needed it - another lesson in the vanity of human wishes.

it's the best I have eaten since the Government into a lot of

trouble.

Yours aye,

The death of Jimmy Dunn

has distressed me a very great

deal. I don't know what is

going to become of his wife.

She has written me to say that

she wants to go to a convent. It

would be a piece of folly.

Besides, she wouldn't like the

food there. And she would cer-

tainly quarrel with the Mother

you give me of the Treasury.

And unhappily, only too true.

What a depressing picture

You remember Macmillan

served with me. He will do

strange things and I am sure

he will live to perpetrate a

great deal of mischief. I would

And with affection and devo-

tion and looking forward to my

The Suez Canal was unilater-

ally nationalised by President

Nasser of Egypt in July 1956.

As it was supposed to be an

international right of passage.

Britain and France prepared

plans to seize it back. Talks

began and lasted well into the

Thank you for your letter.

rather have Butler.

return early in March.

Beaverbrook to Bracken,

January 23 1956

My dear Brendan,

# A man's world in the mountains

Richard Cowper on a battle of the sexes among the Latok I climbers

OUNTAINEERS are said to be a stoical breed, a virtue Doug Scott, the well-known British climber, and his companions needed in plenty on their two-month-long expedition to climb the spectacular north ridge of Latok I in the Pakistani Karako-

I could delay describing the painful facts by explaining how the expedition got off to a fine start reaching a base camp at 15,000ft on the desolate Choktoi glacier in just 10 days. Much might also be made of the success of early training climbs and adventures: an ascent in harsh conditions of the Biacherahi snow dome at the head of the glacier; a three-day 2,500ft rock climb (by Scott and Sandy Alian) with two unexpected bivouacs without food or tents up a snowless knife-like north ridge on Latok III; and an exploration (by Rick Allen and Simon Yates) of the Nobande Sobande glacier - perhaps only the second since the famous Everest mountaineer Eric Shipton passed that way with H W Tilman before the war.

But as for the very raison d'etre of the expedition, the sad truth is one has to record a singular failure . . . for not a foot was placed on the mountain in question. Day after day of snowfall made the 8,000ft route up the northern skyline pillar of Latok I retain its winter cloak and remained unclimbable. At first, this was accepted with equanimity as everyone set off on forays to get fit and acclimatised. But after almost a fortnight at base camp, the small alpine-style climbing group started to run into problems that had little to do with the weather.

As the arrival of the memsahib is said to have helped undermine relations between British colonials and locals in 19th century India, so the presence of three non-climbing women (a wife, a sister and a missionary friend) caused a ripple of division and discontent at base camp.

"Ideally expeditions are better without wives and girlfriends. Then everyone has the same objective, there are no distractions and no-one finds themselves with divided loyalties. I am sure the reverse would be true of an all-women expedition," says one member of the group. Living together week after week in

cramped conditions in tents on ice and rock in the middle of a glacier and six days from human habitation imposes considerable strains on relationships. Throw in the mind-numbing exhaustion of climbing at high altitudes, and the fre-

quent risk of avalanche or crevasse, and it

is not hard to see how easily broken is that fragile unity of purpose so essential for the successful scaling of big peaks. The problem was "removed" when the women departed on a 16-day trek to K2, the world's second highest mountain. But the circumstances of their exit created irritation and guilt that at the end of the trip

was to erupt into unseemly recrimination

over precisely how much more the

so-called trekkers should pay towards expedition costs.

While they were away trekking the weather improved somewhat, but never enough to make Latok I feasible. There was too much unconsolidated snow. An attempt to climb the dramatic 19,955ft peak of Hanipispur south had ended in failure for this reason less than 1,000ft below the summit, and now a drive by Allen and Yates to scale the 21,170ft Bobisghir which rises out of the Nobande Sobande giacier was also repulsed by dan-gerous snow conditions.

At this point enter, almost a month after the start of the expedition, the remaining member of the team: the remarkable Robert Schauer, the Austrian climber and film-maker. Schauer, who has five 8,000m peaks to his name, had travelled overland by army vehicle through Iran. Movie camera under one arm, sound recordist on the other, he and the rest of the group made the three-hour trek to the foot of Latok L where almost everyone pronounced the near-vertical north ridge too dangerous to climb for at least several weeks.

"There was avalanche debris littered everywhere. Through the binoculars we saw a series of overhanging cornices and snow mushrooms dotted along the ridge. It would have been suicidal to climb it in those conditions. Better disappointed than dead," says the normally-impulsive Sandy Allan, who saw a climbing companion fall to his death just two pitches short of the top while climbing the north face of the Matterborn in 1984. Rick Allen, the wiry climber from Aberdeen who survived a spectacular L500ft fall in an avalanche on Makalu in 1988, was "entranced" by the possibility of doing an ice climb along a couloir going straight up the centre of the mountain - until a huge cornice fell off the middle of his line.

Scott then proposed everyone shift allegiance to nearby Latok IV, itself a considerable challenge; Schauer wanted to contique filming near the head of the glacier; Allan preferred having another go at Bobisghir, while Allen secretly thought an attempt should have been made to get on to the first part of the Latok I north ridge. An idea to climb the nearby Ogre was swiftly scotched by Scott, who broke both legs climbing it in 1977. Nobody could agree on a common goal. At this point, more than three weeks

before most of the team was due to fly hack, the British Latok expedition 1990 voluntarily disbanded, never to spend another day together. Three returned home early, three went on to Husbe on a reconnoitring trip and three decided to stay. The latest news by runner from the Choktoi is that Yates and Schauer are planning to come out soon. ■ The author was a member of the British Latok expedition, which was sponsored by Inspectorate-OIS, part of the Brompton group of companies.



Porters negotiating a difficult petch above the icy Braidu river

#### 'The crackpot Macmillan, a pompous posturer... this hapless Government's gyrations defy description. . Butler's nerve is withering . . I am very tired'

#### **E** From Page I

The Government's first instalment of deflation has created more wailers around London Wall than Jerusalem ever knew. The next instalment may induce the City to erect a statue to Dr Dalton.

Yours ever, Brendan

Their letters were often accompanied by the exchange of gifts: wines, whisky, hams and cheese, the latter produced at Beaverbrook's farm.

Bracken to Beaverbrook, Princes House. June 5 1954 95 Gresham Street,

London, EC2 My dear Max. Having tasted your noble cheese all I can say to you is

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Your care is what makes me feel safe and secure in your hands. It is when you show me I am special among a hundred others who are also special. It is when you rise above thinking of meas dying and mod abrow-"svil of sm ded on one patient quoted here in thanksgiving to you for your very kind support.

Sister Superior

ment in redrawing the map of Europe. You ought to be very proud of the success of your farming operations at Cricket which enable you to produce cheese like poetry. I am very grateful to you.

Mr Hitler started his experi-

On April 5, 1955, Churchill finally resigned and was succeeded by Sir Anthony Eden. The Eden Government was dominated by the Suez crisis which began in earnest in the summer of 1956 and forced Eden's resignation the following year . . .

Bracken to Beaverbrook, Princes House, November 21 1955. 95 Gresham Street.

London, EC2

days I will write you a long screed about happenings in politics. This government seems to be an avid collector of troubles. Butler has got himself into a hell of a mess and holds that everyone is wrong save himself. Aneurin Bevan is a much milder critic of our banks than is the Chancellor of the Exchequer. Butler's nerve is withering and I think if he could extricate himself from the Treasury he would jump at the opportunity of being Leader of the House. But I can

My dear Max, One of these

see no quick way of his doing Macmillan has become a pompous posturer and will be a growing liability to Eden. One of Eden's minor Ministers, Boyd Carpenter, is likely to get

autumn . . Bracken to Beaverbrook. December 7 1956. My dear Max.

This hapless Government's gyrations defy description. The best way of describing their Suez adventure is to call it another Jameson Raid. No one can ever estimate the economic and financial consequences of their action. Macmillan, who has been an absentee from the Treasury, as he has been busily posturing on platforms as the scourge of Nasser, has now returned to the bosom of his gloomy officials. They have almost scared him from his bread and butter and so the financial measures he is taking to rectify the Suez fiasco are almost as silly as the adventure. To ask for a waiver they encourage the bears of sterling everywhere and it will cost them more dollars to support the pound than the amount they hope to get under the

Macmillan is telling journal-

ists that he intends to retire

waiver.

from politics and go to the morgue. He declares that he will never serve under Butler. His real intentions are to push his boss out of No. 10 and he has a fair following in the Tory

Party. The so-called Canal die-

hards think better of him than they do of Eden or Butler. Eden has no intention of giving up No. 10, I should say he was the least rattled of all his ministers. He writes cheerful letters from Jamaica and doesn't seem the least bit perturbed by all the storms that blow over him. There is nothing wrong with him physically,



but he was very tired, hence

his holiday. If it was a mistake for him to go away at the present time (and I now think it probably was) I was one of the people who advised him to go. It shows how poor an adviser I am! But as he told me that he fully intends to brazen this out, I thought he might as well get physically fit before facing the litter of problems that lie ahead. I wish you were here.

PS. I still think you were right to back Eden. He is the best of the Tories. I don't say that is terrific praise, but it is something. The alternatives are the crackpot Macmillan or Butler, who is a curious blend of Gandhi and Boss Tweed. In January, 1957, Harold Macmilian succeeded Eden as Prime Minister. Eden left for a

holiday in New Zealand; the

last person to see the Edens off

was Brendan Bracken . . .

Yours affly

Brendan

Bracken to Beaverbrook January 23 1957.

My dear Max. The main reason for Eden's departure is not the one circulated by politicians and the Press. The reason is political. but as it involves a secret stuffed with dynamite I can't put it in a letter. This seems melodramatic, but alas, it is only too true as you will agree when you hear it. If Eden had been of tougher fibre he could, am sure, have brazened it

Health, of course, played a part in the decision, but I think his illness is more due to the effect of mind upon body than to the patchwork done by the surgeons and doctors.

My Lord Salisbury's intervention in Eden's affairs was conclusive. Eden's authority in the Cabinet had diminished considerably after the somersault about Suez. This was due to the opposition, if intense wavering can be called opposition, led by Macmillan. At the beginning of our invasion of Egypt Macmillan breathed fire and slaughter against Nasser and his tribe. When the Americans declared there would be no oil forthcoming for Britain and the Treasury officials started totting up the cost of an oil famine, Macmillan was all for obeying the behests of Eisenhower and

Dulles. The President was in a great state of rage against Eden and sent him some scarifying messages. Eisenhower's indignation was due more to personal pique than to any fervent belief in the United Nations. He felt that his electoral prospects might be seriously damaged by a war in Egypt. Naturally, the Suez fiasco

greatly lowered Eden's prestige. He could, I think, have got over this were it not for the spate of criticism of his departure for Jamaica. He returned in high spirits which only lasted for a few hours because scarcely had he arrived in Downing Street than a deputation lead by Salisbury and Butler informed him that while the Cabinet were willing to carry on under his leadership until Easter, if it was then clear that his health was not fully restored they felt a new head of the government would be necessary. If Churchill had had such a greeting from his colleagues he would have told

them to go to the furthermost part of Hell, but as you know very well Eden has none of

Churchill's pugnacity.

Butler greatly fancied his chances of succeeding Eden. but they were blighted by the advice offered to the Monarch by Eden, Churchill and Salisbury. Most of the Tories in the House of Commons were agin Butler. They blamed him for the Suez scuttle, whereas Macmillan had a far greater responsibility. Nor was Macmillan slow in his siege of Number 10. He let it be known that in no circumstances would he serve under Butler and he did some powerful private canvassing. Of Butler. therefore, it may be truly said in the words of Coleridge -"For I have lost the race I never

ran."

In 1958 both Churchill and Bracken became ill. Bracken retained his humour amid his concern for his friend and his worries about his own deteriorating health. Bracken died on August 6. the day after telling Beaverbrook he was "very. very tired."

Bracken to Beaverbrook. April 21 1958 My dear Max.

Alas, Winston is not very well. Moran has been at Chartwell for four or five days and his normal imperturbability seems rather dinted. He told me he would like to come up and have a talk with me on Monday and I, of course, am at his service. Our friend Winston is, of

Many thanks for your

COMPAC, A MECICAL MARVEL, 146 has disregarded all the normal life-lengthening rules and has witnessed, doubtless with regret, but with some complacence, the burial of most of his doctors, save Charles. But the sun is Churchill's great lifemaintainer and the lack of it has probably played some part in creating his present condition.

Contrary to doctor's expectations my health doesn't seem to improve. This wondrous cobalt radiation seems to have narrowed my throat to such an extent that I find it awfully difficult to swallow food. Believe it or not, the only thing I can eat happily is porridge -

stuff I haven't touched since I PS. If Joe could get him to do left school. As a Somerset landlord and cheesemaker, you may be

interested in the enclosed article. I bet you Lord Waldegrave doesn't produce a cheese like yours. Yours affly Brendan

Bracken to Beaverbrook. 5 August 1958, Grospenor House.

Park Lane. Wl. My dear Max. Many thanks for sending me the Birkenhead book on Kipling. I have read the first half of the first volume and the book has come to fascinate me.

For some reason beyond my

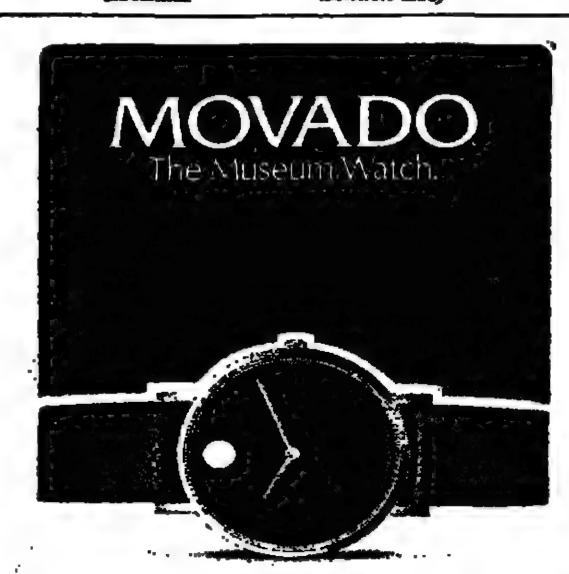
powers of thought I am getting very, very tired. It is becoming an effort for me now to walk a short distance. I must fight this with all my might. If I don't I could quickly enter a life of invalidism. I don't share your optimism about the doctors' view of my condition, but it is obviously quite silly while one is in the world to depend upon people for too many

services. Yours affly

so, the man to write out a surgical preface is undoubtedly General Sir Louis Spears. Since he was turned down in his hope of becoming a life peer he wants nothing from anybody at the present time. If Louis really got down to describing Eisenhower's qualities he could write something extremely good, in fact it might be quite uproariously funny. It was indeed one of the largest armies in history and should never have fought in the war. A synthetic general was needed to launch soldiers and armies of great pugnacity and here was Ike 'waiting to hand.' To win the last election. and the one before, the Republicans needed a synthetic President who was all things to all men. Perfection was found in Ike. No-one knew where he stood on anything. Ike, in fact, is the Dale Carnegie of generals as will as politics. A won-

My Dear Max, the correspondence of Brendan Bracken and Lord Beaverbrook, 1925 to 1958 edited by R.B.Cockett (£20, Historians' Press, 9, Daisy Road, London E18)

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# Property

# Chance for investors to go Dutch

Rental property in the Netherlands has potential, says Audrey Powell

HE institutions which own the bulk of rented property in the Netherlands have recently been increasing their investment abroad. At the same time, they have been selling less profitable residential property at home - offloading blocks of apartments, often whole streets, to investors.

Some of this property has been finding its way into other markets. A firm of solicitors in London, with Dutch connections, thinks that at, for example, £40,000 for three apartments (a vertical slice of a three-storey terrace), compact blocks might interest small investors in Britain. A buyer would need to find only £20,000, they say, as 50 per cent mortgages at around 10.3 per cent are available. "Rental income from the three flats would give a yield of 9.75 per cent." Or four people could take quarter shares, for £5,000 each. The firm (Osbornes: 071-485-8811) would

be willing to form such consortiums and prepare a trust document setting out the terms on which the properties were held. These properties are in Rotterdam, which Simon Malster, an Osbornes partner, says offers the best prospect of capital growth among the important cities in the

It is not as pretty as Amsterdam, but property is cheaper and there are ambitious plans for its future development. The snag, of course, is that the flats are tenanted and many Britons, with all-too-fresh memories of problems over sitting tenants, might well lose interest at this point.

On the credit side, from the small investor's point of view, mortgage interest can be set off against rental income. You are told that when a flat becomes vacant it price. There is no capital gains tax payable in the Netherlands if a purchaser acquires

a property in the names of himself or other individuals - only if the acquisition is made in the name of a company On the debit side, the Netherlands has

rent control and security of tenure. But

there are annual rent increases and the ceiling for controlled rents has recently been reduced, bringing more properties out of the controlled sector, says Malster. The turnover of tenants in a typical Rotterdam block could be 10 to 15 per cent per annum, and the Dutch Government has imposed restrictions requiring tenants to move if their circumstances change. A more cynical Rotterdam estate agent, however, suggested that one should not underestimate the tenant's ability to retain occupancy, regardless of regulations.

Malster says the £40,000 in the example would include sales commission. notary's fees and land registry fees. Rent should



#### pay off the mortgage in six to seven years. A block of three tenanted flats, such as this, with one on each floor, is available for £40,000

# Homes from home for golden youth

full-time working of men in full time employment in London have salaries sufficient to service a 100 per cent mortgage on a £50,000 home, assuming they could find such a basic commodity. That's easily enough calculated from the figures for average earnings in the capital. Contrast that with the experience of the flats department of Fulham Road agency Farrar Stead & Clyn. Commenting on good flat sales in Fulham, FS & G's Caroline France reports that, "teenagers attracted by the bright lights for their very

room flats around the £95,000 to £135,000 mark." Supporting a 100 per cent mortgage on one of those would call for these teenage customers to have roughly three times the average salary of an adult in full-time employment in London. Any parent who thought that the children leaving home means a scaling down of their financial commitments should reach for a

first job tend towards two bed-

calculator fast. The image of "empty nester" households as tomorrow's generation of cashrich, mature consumers clearly needs to be revised to allow for the costs of hefty deposits and continuing mortgage interest support on the childrens' bright lights" homes.

Spicer recently blamed the, often misplaced sense of independence on the part of the young," as a cause of the official London homeless total of 70,000. Over at the Department of the Environment the statisticians report that 126,680 homeless families were accepted for rehousing in Britain last year, 33,610 of whom were in London. Add Camden Council's recent estimate of 30,000 squatters in the capital to either the official estimate of between 1,000 and 3,000 people sleeping out, or to unofficial estimates of upwards of 40,000 "hidden homeless" as well as 25,500 households in temporary accommodation and there would seem to be a mite more misplacement than



ill-advised independence.

■ The Island, Winter Hill near Cookham Dean in Berkshire is a property for the fun of it. An asking price of £150,000 through John D Wood (071-493-4106) buys the freehold on three and a half acres in one of the more attractive stretches of the Thames. There are mooring rights on the island but not on either bank. There are no services, and a losing battle for anyone contemplating erecting anything more substantial than a tent.

# A rural escape in south France

Audrey Powell looks at a prestige development in Aix-en-Provence

RITISH DEVELOPERS suddenly seem to have discovered Aix-en-Provence in southern France. At least three have recently started projects in the area surrounding Aix which may not have the gossip-column glamour of the Côte d'Azur resorts not far away, but it has its own attractions.

Half an hour from the Mediterranean coast and Marseille airport (90 minutes to London), it is an agreeable university city, with its avenues and fountains, smart shops and 17th century buildings and dozens of tiny restaurants overflowing on to its pavements.

But it has its drawbacks. Residents say it has the most expensive property in France after Paris and Nice, and that parking is a nightmare.

The largest of the Britishbacked residential developments being built in the area is Pont Royal Country Club at Mallemort, Provence, 17 miles from Aix. Two goif courses, a clubhouse and about 850 properties are planned for 450 rural acres. The first course, which John Brennan is due to open in autumn next

year, has been designed by Seve Ballesteros. The developers say it will be his first in France.

The tranquil Moulin de Venegues hotel is at the centre of the project. It will merge with the golf course. Another part of the develop-

ment will take over vineyards that have been supplying house wine to Maxim's in Paris. The old mill that was the basis of the hotel still has a wheel turning, but now it brings dishes up from the cel-

Buyers in the development will have the option of pheasant or partridge shooting in nearby hills, or of wild boar hunting in the forest - at £100 a day. Other residents may prefer more prosaic swimming or tennis. For golfers various hazards are being prepared on the new course. A leading challenge will be clearing the gorge to the 11th green. But there will be alternative tees for the less experienced.

The first residential development will be a village of about 350 properties, some fronting the fairways, others in clusters

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sharing swimming pools. The central area will have shops. restaurants, bars, around an arcaded square. There will also be a church and a school. A group of two-bedroom flats will be sold on a 10-year lease-

owner six weeks' use of his The bigger villas will range from

back arrangement, allowing an

£280,000 to £500,000

property a year. At the end of the letting contract, the flat is his entirely. These will be managed as a hotel apart. A tennis centre is also

planned, with a range of courts and its own fitness amenities. Another feature will be a large lagoon-type pool with surrounding terraces and a central island, suitable for evening concerts.

The landscaping programme includes planting mature plane trees (at £400 each) along roadways to give shade in summer.

A group of five typical flats and villas has just been completed and is available for viewing. They are of local stone, rendered in ochre shades, and of various sizes.

They have long windows and shutters. Some have beamed ceilings or double-height living rooms. Larger villas may have carpeted upper floors, wood-burning fireplaces and optional underfloor heating for days when the mistral blows.

Prices start at £81,500. The

lease-back flats average £135,000. Villas sharing communal pools are priced from £179,000. Buyers of bigger villas may select designs from winners of a competition among English, American and French architects. Prices of these range from £280,000 to £500,000. This five-year project is a joint venture between London & Metropolitan plc and Resort Group, which was earlier involved in the La Manga development in Spain.

m Details from site sales office at Mallemort (te 33-90-591777) or Pont Royal's UK office at Richmond, Surrey (tel 081-332-1234).

# Computers will replace commuters in booming sunrise belt

OVER the years the Henley Centre for Forecasting has provided a consistent flow of good news for country agents and dire predictions for those with properties to sell in the capital

Once again Henley's researchers have concluded that London is going to lose its best jobs to country towns. Henley's forecast "sunrise" business areas include the existing wealth belt west of London to the Salisbury area, the areas around Chester and Telford and from East Anglia across to Worcester. Henley weighs in with research to suggest that a continuing decline in the quality of life and skill shortages will persnade employers to move.

CALA homes simply carried out a straw poll of showhouse visitors to reach much the same conclusion - that computers will oust commuting for many homeowners by the end of the century. The buyers - or at least viewers - that CALA chatted to ranked an utility room, double glazing and "generously sized rooms" as their top three plus points for a new home.

Four, five, six and seven on the list were fitted kitchens, a family room, master bedroom with en suit bathroom and a separate entrance hall. But when asked to say what features they thought would be the greatest appeal in ten years time, a home office topped the lists. CALA's viewers want the scope to work in their home, but not to work at it. Easier cleaning and more automation, as well as an easy-care garden and low maintenance, were all seen as important. These prospective buyers proved a rather odd shade of green. Energy saving heat systems came high on their list of preferences, but so did parking for a third car.

John Brennan

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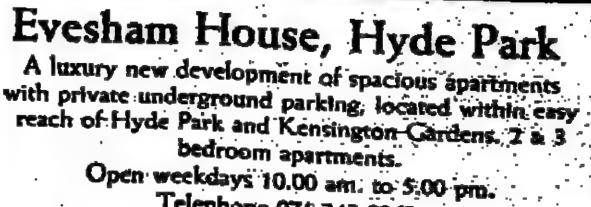
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in either one or two directions, Sometimes their owners do not know when to stop. Perhaps you know the feeling.

You go around a court or manor with 10 acres of garden. three gardeners and quite a hefty entrance fee, when sud-denly you find yourself thinking that you wish it would all cease. Another compartment opens on yot another feature for an unvisited leburnum walk; the owners have failen in love with their ground cover, a central view has run out into confusion and somewhere, there is a lady in her 70s planning yet more azaleas on the assumption that the under-gardeners will continue into the 21st century.

Alternatively, high gardens fall short of the scale of their open surroundings. Some of their sites are overpowering; the house is too grand; a previous generation has left a high wall garden to one side of the property and put gardening firmly in its place . . . now do you come with a view of moun-

It is particularly difficult to plan ahead on such a scale, at Hidcote or Sissip ghurst, the growth of the hedges over 60 years have left places where the visitors can feel boxed in. There are also more visitors than ever. In France, the huge royal

gardens are more or less empty, having lost all the courtiers and camp followers for whom the great Le Notre designed them. In England, they are packed out, swarming with the very public whom the owners never imagined they would entertain when they first laid their walks and little

rose gardens. I suspect that the biggest borders in Britain run down to a river in Yorkshire, near Ripon, at Newby Hall. They support themselves privately off their visiting public without training courses, or the help of the National Trust. Their photographs have

haunted me for years and last

week I checked them out. At Newby Hall, the gardens are enormous - about 15 acres - not much of which is within normal range of the house. If you live there and forgot your secateurs, you would curse at the long walk home. By happy design and elimination, the place avoids the usual pitfalls of the over-sized. It has a firm structure and sense of scale. There is plenty of it, but not so much that you lose the thread. The causes, as usual, are per-

sonal. Part of the design is late



# How big can be beautiful

Robin Lane Fox casts his eye over the giant borders of Newby Hall

tion of labour.

fine Rodgersias with rounded

leaves. The design has changed

into a natural charm and histo-

There are no frills, no white-

painted gazebos or upwardly-

mobile sculpture. There is,

however, one monument to

downward mobility. One win-

ter's day in the 19th century.

hounds, huntsman and horse-

rians, I hope, will take note.

Victorian, laid out by a master architect. The rest of it derives from the owners' family through its ebb and flow.

The present generation of Comptons have alimmed down, simplified and (I suspect) improved the pre-war splendour of the previous generation. It is an unusual tale because a passion for gardening has run down every generation this century. The present supremo, Robin Compton, is active both in his flowerbeds and at the top of the NCCPG; the next generation includes James Compton, recently at the Chelsea Physic Garden and an author who has already shown a sharp eye for unusual

garden plants. The long borders are made manageable by running at the only possible angle for the eye: you look down them, not at them, and so you do not confront the gaps in any one season. The features of the moment lead you down their length, from tall Campanula lactiflora (a proper blue form) to some strong forms of rosered Sidalcea, massed in groups

at the borders' front. Off the main backbone of the borders, you cross into side avenues which are a sequence of pleasant surprises. Familiar plants are doing slightly unfamiliar things in ways which we could imitate in smaller

'Familiar plants are doing slightly unfamiliar things'

spaces. White-flowered Cistus laurifolius, the hardiest of the family, covers an entire low bank and makes a wonderful mound of flowers in July. Honeysuckles grow in a free-standing way beside a set of steps and climb on nothing in particular. A double border

of roses contains the white

Lancastrian, the red Yorkshire

and the red and white striped

Rosa mundi roses which all

intertwine into an ingenious bank. I fear that I liked the Lancastrian best. Generous walks and well-

controlled tree planting never men careered through Newby's become too fancy, although I garden after their fox: the aniam glad that I did not inherit a mal used its wits and took the river. So did the hounds and former Compton's idea of a big hedge of copper beech around their followers. a brightly-coloured rose garin Ireland, I have seen grown

men swim for it, holding their den. However, it all fades away horses' tails across a river too into a marvellous rock garden at the far side of the plan. It is deep for gardening columnists. At Newby, they bagged a local one of those monuments of ferry boat and piled hounds wild Edwardian splendour which was laid out to the plans and horses on to it. It was the of the great Miss Willmott. era of long distance sea travel for British horses around the Dozens of these stone empires survive to taunt their owners' world, but on this journey of modest dimensions, the little decline or the changed expectagroup started to kick each At Newby, the rock garden is other. The boat sank, drowning the horses, hounds and five connected to a charming pergola and a particularly charmhorsemen: a private monument records their sinking and the ing pool of water lilies. Biggardens have had to fit round leaved plants have made their it. Five sculptures, I inquired mark on it, especially some

> Of course not, replied the present owner: it commemorates the important heroes the hounds. The fox, meanwhile, escaped. And perhaps, on late summer evenings, his descendants come back to admire the orange blossom and rambling roses near the site.

for the five drowned horse-

# The rare quality of an almost-weed

Evening primroses, in many varieties, can be eye-catching features, says Arthur Hellyer

T WAS through sheer carelessness, by letting it get overgrown, that I lost Oenothera missouriensis, and I am delighted to have it back in the garden again. It is a delightful "evening prim-rose" but, unlike the true bearers of that name, it does not have to wait until evening to open its large sulphur yellow flowers with the texture of thick tissue.

What it does require is sunshine, good drainage and space to sprawl about over a square yard or so of ground. It is an ideal plant for a not-too-steep bank or a rock garden that is not too dedicated to alpine plants. It grows rapidly, canstart to flower in June and can still be at it in September.

prised if a plant that commits itself to that rate of living requires fairly frequent renewal from seed, division or cuttings even though it is quite correctly classified as an herbaceous perennial. I have never heard of anyone

producing a garden variety of it and it is difficult to think of any way in which it could be improved except that it could be useful to have a variant with deeper yellow flowers and may be another that was quite a lot paler or even white. It would be no surprise too if one day some such variety did turn up by chance in someone's garden and hopefully be recognised as worthy of preserva-

quite frequent with another of the good North American evening primroses but one of very different character. Oenothera tetragona grows erect and carries clusters of bright yellow flowers on top of its stems. Groups of it can make a considerable splash of colour planted with other herbaceous plants or in a mixed border.

as none of these is likely to

reproduce itself entirely true to type from seed.

Ordinary O. tetragona has dark green leaves and bright yellow flowers, each about an inch across. But variations turn up with red flower buds and red tinted leaves.

One of the best of these has been sold in Britain for many years as Fireworks, but it was of German origin as are some of the other good varieties. All are long flowering, about 2ft high and easy to keep under control which makes them ideal plants for small gardens.

One must not be too sur

One cannot claim such virtues for the common evening primroses, and I deliberately use the plural as at least two species qualify for this name and I suspect are widely confused by the seedsmen who sell For many years I knew them all as Oenothera biennis and

Such variations have been colour perfectly suits the evenkeep the plants looking tidy

because they are easily disturbed by wind and rain. Like O. missouriensis, it needs sunshine and good drainage. It also appreciates renewal by seed or division every few years to maintain it in full vigcan be found in a corner. It our. It will have to be division if it is one of the garden selections and not the wild species. then are perennials.

year from seed and will occasionally start to flower that same year. More usually, however, one must wait for the second year for flowers and at the end of that the plants will die. With luck they will by then have scattered enough seed around but it is safer to save

They must be raised every

flower.

and I like to have it around. I think the one I have is O. glazioviana which has larger flowers than O. biennis . . . but I am by no means sure about it. All these are easy and readily available plants, the perennials from many nursery-

Here is just one more kind for collectors: a highly distinctive plant that is rather difficult to grow and even more difficult to buy, although The Plant Finder lists a few

era acaulis, which means stemless, but it used to be called O. taraxacifolia which means "with leaves like a dandelion:" and that fits it perfectly. The trouble is that a plant that looks like a common weed when it is out of flower is apt to suffer an untimely death

However, this odd plant is too rare and too tricky in other respects to be left lying around in mixed borders. It should be grown in a big pan or a small bed in an alpine house or frame in particularly well drained soil and with protection from rain and hard frost in winter. Then it will make carpets of its jaggy leaves and from May to September produce large, flimsy petalled flowers which start white but

warm or sunny place for these are not fussy plants. But nor of attention.

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some and sow it in a place where the seedlings can be kept under observation until they are large enough to be planted where they are to Rather a lot of trouble, you may think for a semi-weed? Perhaps so, but it is a very agreeable weed with a very special role in some gardens

men and the biennials from

from hoe or herbicide.

beauty, but it will attract a lot

now I know that one should be

O. biennis and the other O. gla-

zioviana - or what is more

likely in seed catalogues, O.

They are both quite tall,

very leafy plants with big

rather floppy pale sulphur yel-

low flowers that begin to open

as the sun goes down. Their

ing light but it is difficult to

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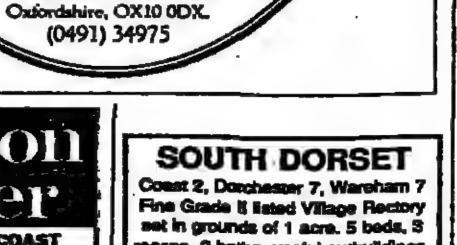
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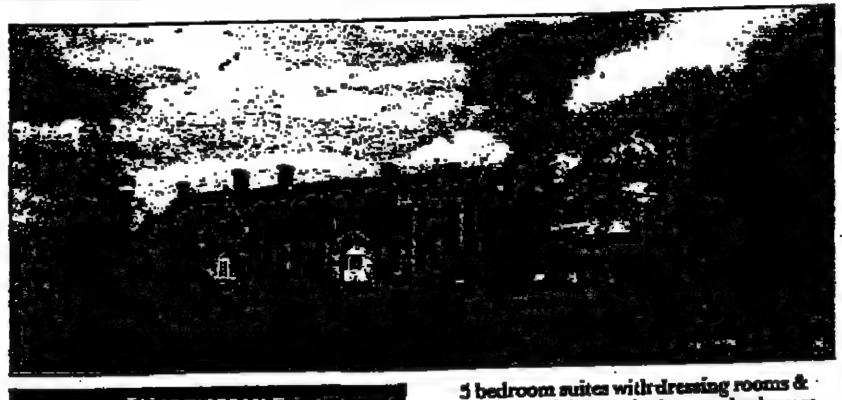
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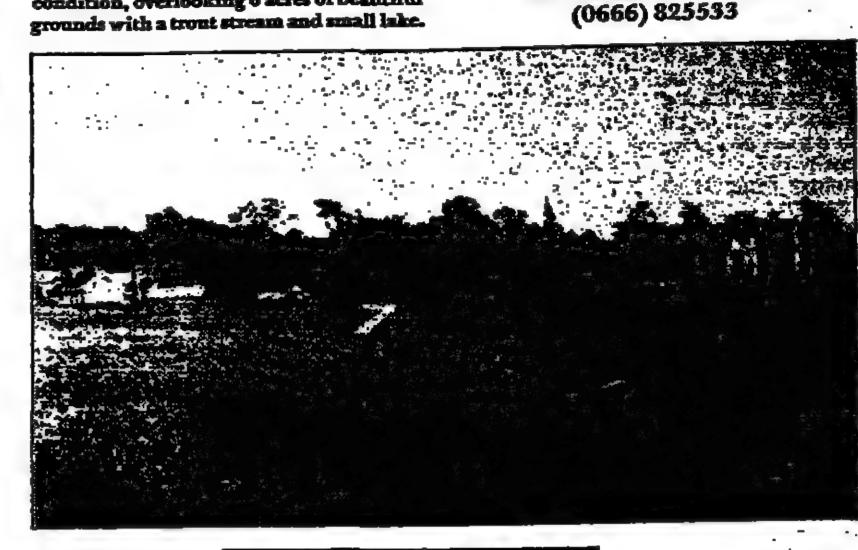
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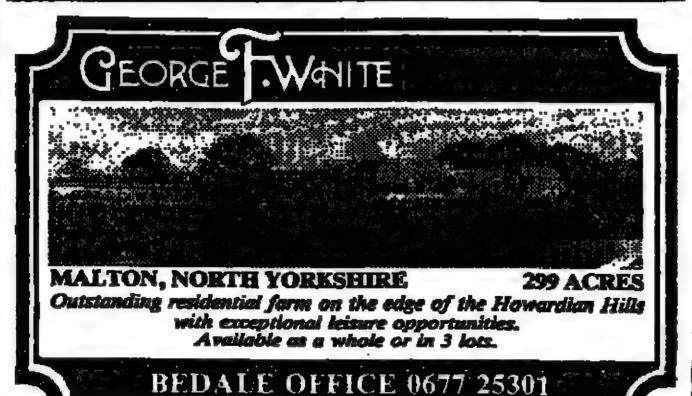
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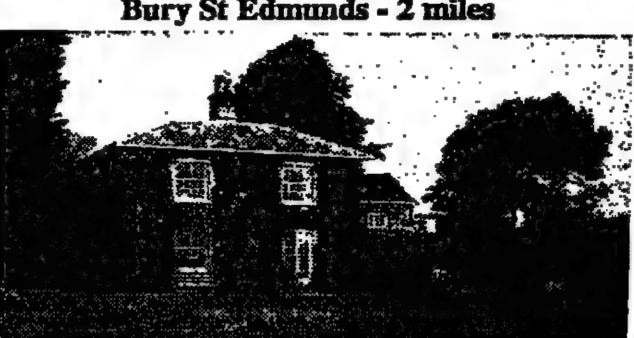
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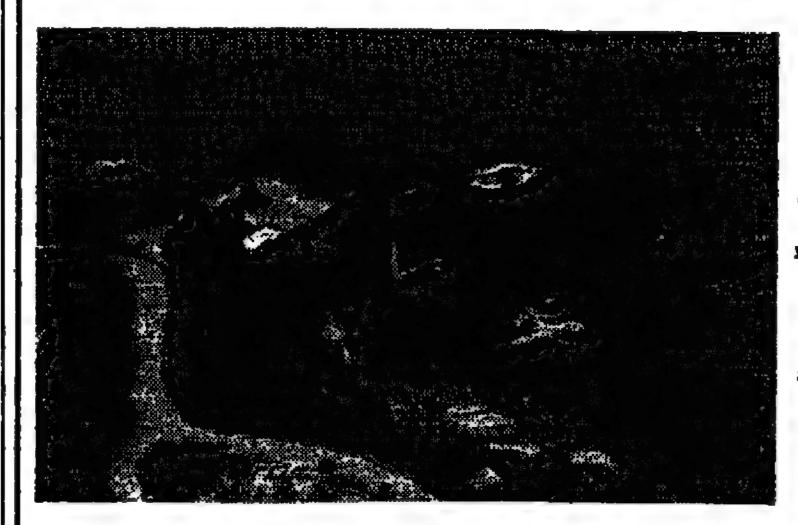
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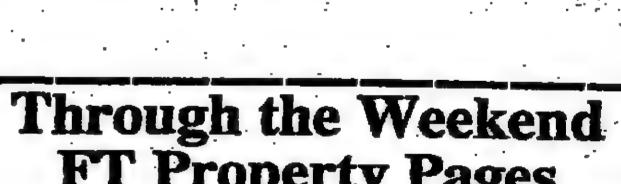
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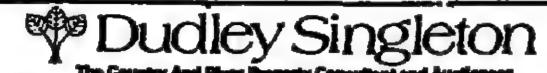
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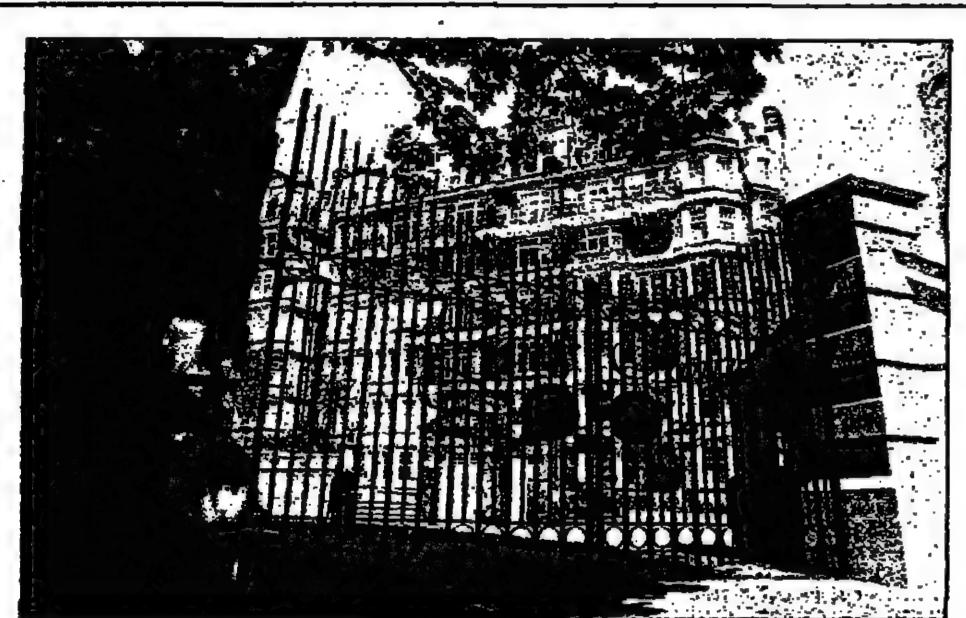
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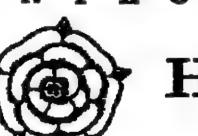
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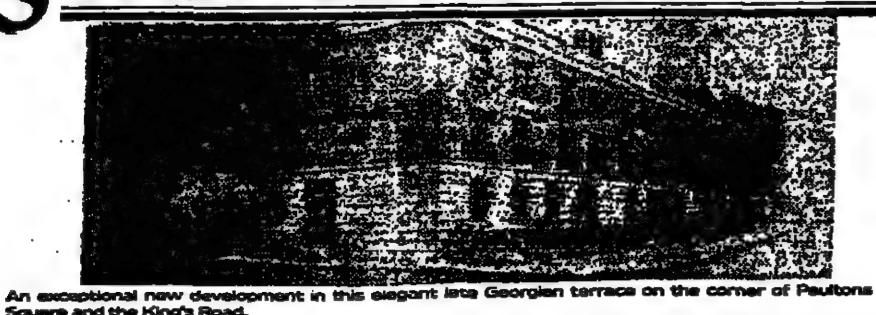
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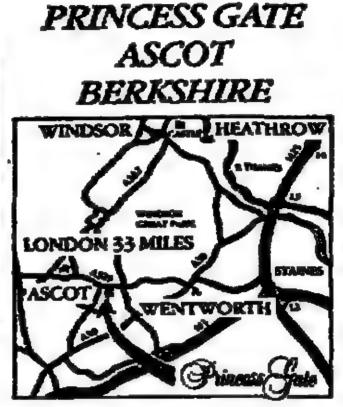
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#### FOOD & WINE

# The name of the rosé

Jancis Robinson goes to the symposium of connoisseurs and finds Old and New Worlds at odds over what to call a wine

almost wonderful about the complete lack of comprehension between New and Old Worlds on the subject of how a wine should be named. This made for some of the funnier interludes in last week's international wine symposium in Cambridge.

According to France's hallowed Appellation Contrôlée system, slavishly adopted for Italian, Spanish and Portuguese use, a wine is named after the place that produced it (as in Bordeaux or Chablis). The more precise that geo-graphical description (as in St Julien or Les Clos), the better the wine is likely to be.

The AC system prescribes for each appellation precisely which sorts of grape should be grown where and how, and

how they should be turned into wine. It severely limits the possibilities but usually guarantees status and therefore price. The French are perfectly happy to have their possibilities limited because the appellation requirements should precisely describe the apogee of wine potential from that particular combination of soil, exposition, altitude and climate that the French call terroir.

The French see their AC system - at its best the culmination of reputations built over centuries and regulations refined over decades - as the highest form of wine life, something to which the New World will inevitably aspire but may not achieve until it too has several hundreds of years of winemaking traditions under their

This was the attitude which

smug presentation from André Enders, lawyer turned head of the governing body of Champagne, the wine name most foolishly taken in vain by any producer outside the region that gave it its name. "Appellation Contrôlée is an essential instrument for giving value to a region's wines," he admitted bluntly, letting alip that in the last five years the value of AC wines has risen 44 per cent on

The New World emissaries, Zeima Long of Simi Winery in California and Chris Hancock of Rosemount Estates in Australia, looked suitably impressed by this tantalising statistic. Zelma shaking her head in admiration at what a couple of letters could do to a wine price. And it's the freespending Californian wine pro-

unfashionable fungicides). them, that the poor old consumer is perplexed by the intricate hierarchies of place-names

that result. This point was made when a senior Master of wine complained that while he had just

debt to service; it's just not

But then outside the lecture hall, when the all-important off the record exchanges are made between mighty folk in the wine world, two of the cleverest New World producers were heard to agree that the French were simply tying themselves in knots with their AC system. Experimentation is impossible. (The French refuse to listen to the revered California professor who wants them to know that Bordeaux would make perfect Chardonnay; the AC laws restrict Chardonnay, but how sublimely, to Burgundy). The regulations specifically prohibit producers from bene-

fitting from modern advances

in viticulture (in particular,

more open systems of vine trel-

lising that reduce the need for

On the podium, Hancock went further in his criticisms of the AC system, but then as an Australian, and one who has lent financial support to the Masters of Wine, he is presumably entitled to. His point is that the traditional AC system and its counterparts in the Old World have become so burdened by the requirements of special interest groups, so complicated by the demands of the bureaucracies that govern



about mastered the French AC system, he found the Italian DOC system impossibly complicated — presumably just how the average wine drinker finds the AC system.

It would be much simpler, argued Hancock (not the only speaker to highlight the need to make wine more "user friendly") to have a voluntary system - none of that bureaucratic complication - that just tells the consumer which sort of grape variety were grown where to produce each wine.

The Australians are developing just such a scheme, notable for its simplicity compared with its American counterpart described to Long. Since wine contains alcohol the American government requires it to be sealed in a thick jelly of litigation. The rather crude Ameri-

can alternative to an AC, an American Viticultural Area. takes years of petitioning, surveying and professional services before it gains official approval. The first AVA, granted in 1980, went to the considerably less-than-famous wine region of Augusta, Missouri. There are now well over 100 AVAs, far too many of them bids for respectability from viticulturally obscure cor-

ners of the US. All the AVA law does is delimit the area with much huffing and puffing. Unlike the AC system, it quite rightly gives no indication of the sort of wine that should be produced within it. It is far too early in American wine history to have identified the ideal combinations of grape variety and teroir by which the French

Pointedly, "as a scientist" Long made the intriguing point that she would feel ha about the AC system if there were statistical evidence that. for example, wines from the different parish ACs of the Médoc, St Estèphe, Pauillac, St Julien and Margaux, for example, each of which enjoy their own appellation were consistently distinguishable.

"In time, areas assumed to be different take on their own assumed differences", she wisely pointed out. The AC system may work superbly in a handful of France's most precious vineyards, many of them in Burgundy, but its rigid application to the rest of the wine world, and even the rest of France, may be misguided or at the very least premature.

Food for Thought

# Pig's ear with fizz

IN REIMS restaurants such as Anberge du Grand Cerf have managed to produce supremely elegant meals which do justice to champagne, the wine for which the town is famed. But champagne is limited as a food wine. It would be hard to conceive of champagne with game? Champagne with len-

Sparkling champagne is a recent invention. It owes its development and popularity to English society at the end of the last century which insisted that the wine should not only sparkle but also be dry. The success of sparkling champagne virtually eliminated the old still red wines of the region, although there are still a handful of producers of red Bouzy. Côteaux Champenois and the very rare Rosé des Riceys from Aube.

The food of Champagne was as earthy as you can imagine. Apart from game - roast boar. from the Ardennes - the meats were basically pork and mutton. Reins was famous for its hams, rissoles stuffed pigs'



pastles served at royal coronations in the cathedral. The pigs trotters of Sainte Ménéhould were legendary. They were served in batter with an onion.

The old capital of the province, Troyes, was celebrated for its andowillettes, tripe sausages almost certainly originaily made from mutton, but now made from pork. The gastronome Curnonsky thought them so delicate, he are them raw. Even so, I doubt he would have advocated the use of champagne for andouillettes any more than he would have done for the local stew. the potée champenoise.

Apart from pigs' feet and ears, faggets and coq ou vin, Champagne was famous for pike and carp and fish stew. The cheeses survive. I shared a superbly ripe Chaource with Serge Bonnet, over a glass of his Rosé des Riceys. The gold label Bourszult is still good and there are wonderful cheeses in Langres, but none, I think, is good with

sparkling champagne. Last autumn I became involved in a heated discussion with Monsieur Guillon, the owner of LaBriqueterie near Epernay. He has streamlined his menu to make it the perfectly discreet background to his exemplary collection of champagnes and poured scorn on the traditional food of the region. No-one in his right mind would want to eat the so-called specialities of Champagne, he told me. On the other hand, Alain Guichaoua at Le Grand Cerf was prepared to countenance having little Ardennes patés and andouillettes with mustard sauce on his sunny, Mediterannean menu. I think he shows land-

Giles MacDonogh

The Orang-Outang (now

# International masters

culty, the City of London-based Institute of Masters of Wine has at last established itself as a truly international body of influence. Its second international wine symposium held at St John's College, Cambridge last week managed to attract important delegates and favourable comment from every continent. More significantly in the long term, the results of this year's examinations, announced with a flourish at the start, revealed the highest number of passes ever (10 out of 50 candidates, against three out of perhaps 30 which has until recently been the norm) of whom two constitute the first crop of "MWs" based in North America.

For the last two or three years, since the Institute realised it would have to open its doors to non-Brits to survive. numerous American candidates have trekked hopefully. and flatteringly, across the Atlantic to undergo the punishing four days of tasting, analysing, spewing and expounding that take place each May in London and determine membership of the Institute. But the first three foreign outposts of the Institute were established thanks to the efforts of an Australian in 1988 and a New Zealander and

August 11.

a Frenchman in 1989. The essay paper seemed to represent an insuperable hurdle to Americans geared multiple-choice exam papers, but now Tim Hanni and Joel Butler of California have shown the examiners, and their compatriots, that it can

This obviously brought much relief to the Institute which began in 1953 as a rather cosy City club of the brighter British wine merchants but is now anxious to make itself heard around the world as a non-commercial voice on the merits of wine and the need to maintain standards of wine and business ethics. Without representation in the US where wine, like any other alcoholic drink, is under the most sustained attack, this would have been difficult.

But the Institute is chronically short of funds and to finance its internationalisation process has had to canvas sponsorship from the trade. considerably better funded in the US than the UK. The American tail could well end up wagging the London dog. The star performers in this

year's exam are yet to be announced. The star performer at the symposium on the other hand was quite obvious to each of the 200 delegates. It was of course Cambridge

itself, looking serenely stunning in the July heatwave. It was perhaps shocking in these pan-European times to feel nationalistic pride sitting next to the Marchese Piero Antinori at a sunset organ recital in Gilbert Scott's Chapel at St John's. It may not have rivalled the antiquity of the Palazzo Antinori in Florence's Piazza Antinori, but it lacked no grandeur, as delegates from Brooklyn to Tokyo

N TRONDHEIM, ancient capital of Norway. I bought fresh boiled \_\_\_ prawns straight from a boat which had just tied up at the quay. The catch was laid out in glistening display in the fish market on the quay. Some of the fish were neatly filleted: some were left whole but semichopped into steaks. A fishmonger nearby sold finely

minced fresh white fish, the wherewithal to make the national speciality below - a deliciously delicate dish despite the heavyweight implications of its name, and easy to

FISKEPUDDING

(serves 4 to 6) 1 lb fillets of very fresh white fish - whiting, cod or haddock; 12 pt creamy milk; 4 pt single cream; 1 egg; 112 tablespoons potato flour or cornflour; freshly grated nutmeg (optional): a spoonful or two of chopped parsley.

any bones with tweezers. Cut the flesh into chunks and process it to a purée with 11/4 teaspoons salt, a good grinding of pepper and some nutmeg. The best way to get the very smooth results needed is to stop the machine frequently and push the fish down on to the blades before continuing. Sprinkle on the flour and

process again. Then incorporate the milk, cream and lightly beaten egg, in that order. Add them in a thin stream, pouring them through the hole in the food processor's lid while the machine is running. If everything is beaten in slowly and thoroughly, the fin-

MY FIRST hand comes from

(enough for one fiskepudding) Exceptionally quick and easy. this makes a good choice for many plainly cooked foods: not just fiskepudding and boiled

preferably a fluted kugelhopf tin for its decorative shape. Tap the tin to shake the fishy mixture down into every corner, and cover with but-

water to come halfway up the sides of the mould, and bake at Skin the fish and pick out 400°F (200°C) gas mark 6 for 45 minutes or until a fine skewer stuck into the mixture comes

> tin for a few minutes. Run a round-bladed knife around the edge to loosen the mixture and turn out on to a warmed plate. Mop up any moisture and scatter with chopped

Serve with boiled potatoes and a buttery sauce such as Hollandaise, or the lemon butter sauce given here, or a jug of melted butter laced with freshly boiled and chopped prawns. Offer cucumber salad on the side.

## Cookery

# When the boat came in

Philippa Davenport concludes her look at Norwegian recipes

potatoes but steamed and

poached fish, poultry, rabbit,

ished mixture will be a beautifully creamy light pap. Check seasoning and turn the mixture into a buttered ring mould of 1%-2 pt capacity,

tered foil. Chill if preparing To cook, stand the covered tin in a roasting pan containing enough freshly boiled

out clean. Let the pudding rest in the

parsley.

LEMON BUTTER SAUCE



young leeks as well. 6 oz butter; 212 tablespoons lemon juice and 2 tablespoons

Dice the butter and melt it gently in a shallow pan. Do not let it sizzle or turn oily. Away from the heat beat in the lemon juice and warm water, using a sauce whisk or fork, to emulsify and thicken the mixture slightly. Season, add extra lemon fuice to taste and pour into a warmed jug for serving. NORWEGIAN CUCUMBER SALAD

(serves 6) I rather like the distinctly sweet, oil-less dressing used here, and I am grateful to have learned the simple and practical Norwegian method for

simultaneously dressing cucumber and ridding it of excess liquid.

2 cucumbers; 3 oz caster sugar; scant 3 fl oz white wine or tarragon vinegar; a little tarragon, dill or parsley (optional).

Measure the sugar into a shallow bowl. Stir in one teaspoon of salt and two tablespoons of warm water. Add the vinegar and a grinding of pepper. Slice the cucumber very thinly, peeled or unpeeled, and toss it in the dressing. Lay a second shallow bowl on top. Weight it down and leave in a cool place for an hour to draw out the cucumber juices.

Drain off most of the liquid. If desired, the salad can be sprinkled with a little more sugar and garmished with a few chopped fresh herbs just before it is brought to the table. SKEWERED SUMMER FRUITS

WITH GJETOST Gjetost is unlike any other cheese I have ever come across. In fact it is not a true cheese, but the cheese counter in a few delicatessens and speciality food shops is where you will find it. Made from whey boiled down to a caramel, then enriched with goat's milk and cream, it looks like a block of fudge and the taste is very sweet. Even when slivered paper thin I find it too cloying to serve as cheese but it is excellent for adding rich piquancy to sauces for game rather as chocolate is used in Mexico. The Norwegians also

like to make melted Gjetost

sweet sances as irresistible as condensed milk. Thread large firm strawber-

sauces for desserts. I find these

ries and generous chunks of peeled nectarine or peach on to bamboo skewers. Intersperse these fruits with the occasional halved apricot, wedge melon, pear and/or banana you like. Moisten with a mixture of orange, lemon juice and icing sugar to prevent discoloration (I allow just 1 teaspoon of sugar to 1 tablespoon of lemon and 2 tablespoons of orange). Serve lightly chilled with a small jug of sauce made by stirring over a low flame until warm and well blended 3 oz of grated Gietost with 6 tablespoons milk or fruit juice and a good ninch of cinnamon. STRAWBERRY, ORANGE &

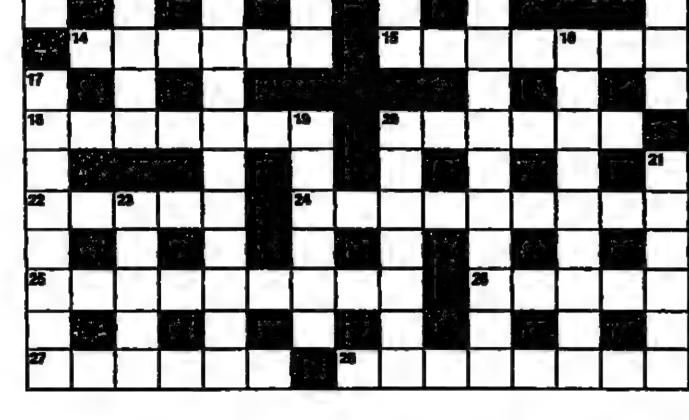
LAVENDER COMPOTE (serves-5) This recipe, inspired by one of Lynda Brown's, has nothing to do with Norway but the brilliant colours and the clear tastes of aromatically-sauced fruits make a lively follow-up to fiskepudding. For dramatic looks I like to serve the compote in a shallow borage or layender blue dish.

A small nosegay of fresh lavender: 2 oz or so of runny honey; 4-1 Ib strawberries; 6 oranges.

Put a dozen plump, freshlyopened heads of lavender into a small saucepan. Bruise them lightly with the back of a spoon, add the honey and 71/2 fl oz water. Stir over low heat to warm and blend the honey and water, then simmer gently for about 8 minutes until slightly syrupy and reduced by about half. Stand the pan in a bowl of cold water to cool the syrup, then strain it. Slice the fruits thinly and lay them on a flat dish. Spoon on the cold lavender-scented syrup. Cover and chill briefly before serving, scattered with fresh lavender.

able tolerance

# BRIDGE



Malo (6)

ON 1 SHI

NATIONWIDE STEN

SITE ENTERPRISE

LONG GOOD DEPONDED

EVENTIBLE

A O H O S A E U Vertigo treadon

EMENNIRMIENG

MAGISTRATURE

Solution and winners of

Puzzle No.7,289

THESHS SPACHOUS

E P B A L A U T RAILING AERATOR M S D L N E D O ITCH DONKEYWORK

P. White, Mickleover, Derby.

NEIGHA

20 The last train? (7)

CROSSWORD

No. 7,301 Set by DINMUTZ

Prizes of £10 each for the first five correct solutions opened.

Solutions to be received by Wednesday August 8, marked Cross-

word 7,301 on the envelope, to the Financial Times, Number One

Southwark Bridge, London SE1 9HL. Solution on Saturday

- 1 Physicist of the naughty mineties? (8) 5 A ship, approaching trouble, has to attack (6)
- 10 Young person who is a goody-goody on Sunday (5) 11 The world of the friendly societies? (9)
- 12 Celebrity in the sergeants mess (9) 13 The prize is in the bag! (5) 14 Drawbar, say, of Bunter's
- vehicle (6) 15 First thing, rough nurses surround one (7) 18 Fireworks music? (7) 20 Old fellow gives Dawkins a
- fresh start (6) 22 The poet smoulders (5) 24 Preserve from harm the natient in France (9) 25 Letter-opener? (9)
- 26 But can Open University students be punished so? (5) 27 Girl with instrument to weaken the spirit? (6) 28 No need to run for this
- take-off (8) DOWN 1 Flag officer (6) 2 Care for girl like Alice? (9) 3 Go without food in tents, the globe over (7,4,4)
- mission (7) 8 Make up night-drug, please
- 8 Blow safe in Wales (8) 9 Skeleton found in Paul's place (6)

leg poet (8)

- NOAWTUE ASPECT BOUNDER LACS NEMT FLOUNCE BORDER 4 Late probe made by elected S SUANE II CAPITALIST PALM 7 Tree seen in central Derbyshire (5)
- A A O P H S V A M A N U M I T E N A M O U R P D E O N G U A STANDARD BARREN G.C. Harvey, West Ewell, Sur-rey; A.E. Hollocks, Norwich; C. Morris, Cuffley, Herts; A.R. 16 I castle in move that is not vielding (9) 17 One holds weapon of black-Neale, Manama, Bahrain; Mrs

rubber bridge: **♠ K9652** 8764 ¥ AKQ1065 19 As good as the resort of St ◆ J952 AKQ9 **3** 8 7 4 3 2 21 Bitter row over a long. old-fashioned social system 4 A Q J 10 4

23 Redheaded lady turns out to see Wordsworth's place (5) Solution to Puzzle No.7,800 North-South were game and 30 when South dealt and bid one CROSSCOUNTRY spade. West doubled, and North jumped to three spades, Prepared to sacrifice. West bid KIND UNITED IN HELL ENACT PROPOUNI

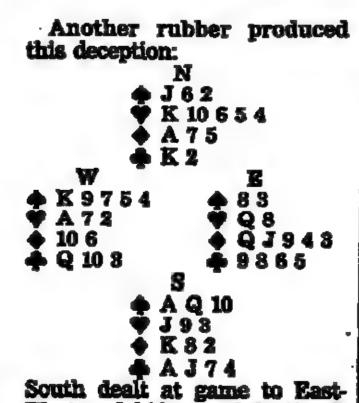
four hearts. As the cards lie, it takes exact defence to put the contract down - South must win the opening spade lead and switch at once to the five of clubs. South, however, went to four spades, and all passed. West cashed ace and king of hearts, then switched to the club king.

Winning with dummy's ace, South crossed to his oneen of spades, ruffed his remaining heart with the nine of spades, and drew East's last trump with his ace. He then returned the knave of clubs. West won, convinced

that South had no more chubs.

and afraid of conceding a ruff

discard, led a diamond, and South was home. Brilliant deception, but West should not have fallen for it. He can count South for five spades and three hearts. If he really has only two clubs, he must have three diamonds, so one ruff discard will not be enough to save him from losing a diamond.



West and bid one club, North replied with one heart, and raised the opener's rebid of one no trump to three. West opened with the five of spades, and South took stock. If East held the heart ace, and West the queen, all would be well. late Dr Savielly Tartakover in But declarer, like the expert he his game with Maroczy at New was, assumed that West held | York 1924. Asked by reporters ace, and East the queen. and looked for a way to over- strange move, the witty doctor come this problem.

deceptive play. Winning the ment's free day and had "fallen spade lead with dummy's in love with the orang-outang knave, he played the four of enough to dedicate my next hearts, Rast followed with the game to this animal." eight, and the knave was played from hand. West won | for a bizarre approach both on with the ace, but could not | and off the board (at Spa 1980 attack spades with advantage, and South made his contract | prize at the roulette table with an overtrick.

Incidentally, if West holds the queen of hearts and wins | with his self-mocking comment trick two, the contract is still on the new move ensured that secure against any none of the other masters took defence. This last deceptive | 1 b4 seriously. play is one which I have brought off many times. I hope attention. The Byelorussian that you, too, will have the master Alexei Sokolsky from

**CHESS** BOOKS, reference journals and computer databases on chess opening theory have multiplied in recent years to such an extent that some club and social players understandably feel that their simplest course is to leave the beaten track as soon as reasonably possible. There is plenty in favour of such an approach, since systems of play thought eccentric are often revalued in a as an improviser. more positive light.

The move 1 b4 was introduced into master chess by the why he had considered such a replied that he had visited the He saw the chance of a New York zoo on the tournadiagonal tactics.

> Tartakover had a reputation he lost the whole of his first immediately after the victory ceremony) and this, coupled like Flohr and Geller. The key variation of this

One expert, however, did pay opportunity to employ it - it Minsk, one of a group of original very satisfying. tigate 1 b4 in depth. He found that if Black defended with a

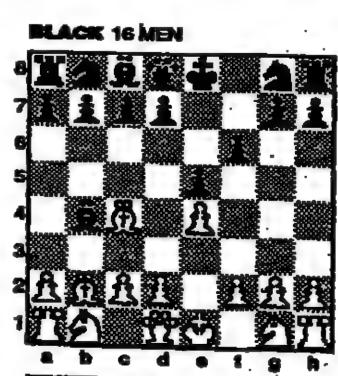
cautious positional reply like 1... Nf6,...d5 or ... e6 White could develop normally with his queen's bishop well placed at b2 while in the middle game the b4 pawn exerted a cramping effect on Black's queen's side. Tartakover had thought on similar lines against Maroczy, but he never developed or systematised his ideas, preferring to keep his reputation

Sokolsky made a further important discovery. He noted that in many variations after 1 b4 e5 the advanced b4 pawn could be offered as a gambit to lure Black's bishop from defence of the king's side. Also after 1 b4 e5 there were possibilities of a kind of delayed King's Gambit with f4 when the bishop at b2 provides excellent back-up and creates long-

Sokolsky wrote a complete book in Russian describing his ideas and including many of his successful games. His personal results with 1 b4 were impressive, with wins or draws against strong grandmasters

opening runs 1 b4 e5 2 Bb2. Now Black can try a tactical approach by 2...Bxb4 3 Bxe5 Nf6 4 c4 O-O 5 e3 d5 6 cxd5 Nxd5 7 Nf3 Re8 8 Bb2 Nf4 but this is well met by 9 Ne5. In practical club chess, Black is more likely to respond with the defensive 2...f5 (if 2... d6 3 c4 f5 4 e3 White aims for a

general Q-side advance) when Sokolsky's gambit is 3 e4! Bxb4



Here both white bishops are on powerful diagonals and bearing down on the black king. Three typical continuations show the hidden strength of White's offbeat formation. Katalimov v Ilvitsky contin-

WHITE 15 MEN

ned 4 . . . Ne7 5 Qh5+ Ng6 6 141 exf4 7 a3 d5 8 Bxd5 c6 9 Bb3 Qa5 10 e5 Be7 11 Bf7+! Resigns. If Kxf7 12 e6+ wins the queen, while if other king Sokolsky v Struggetsch went 4 ... Nc6 5 f4 exf4 6 Nh8 Nge7 7

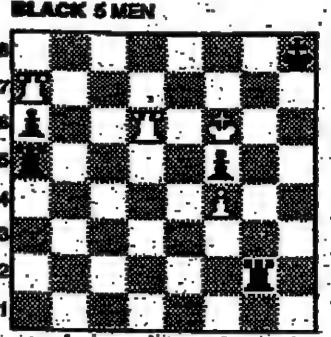
Nxf4 Na5 8 Bxf6! with a winning advantage. If 8 ... gxf6 9 Qh5+, while if 8 .... Nzc4 9 Brg7 and 10 Qh5+ Sokolsky v Gurevich developed 4 \_ Nc6 5 14 d6 6 f5 Nge7 7 Qh5+ g6 8 fxg6 Nag6 9 Nr3

Na5 10 Nh4 with advantage,

often called the Sokolsky Opening) can thus be a useful surprise weapon. There are tricks for both sides, for example the strange 1 b4 c6 when 2 Bb2 a5! favours Black so that White has to go 2 e3. But it is a good occasional ploy, as few opponents relish the prospect of meeting a chessic southpaw.

PROBLEM No. 831

for if Nxc4 11 Nxg6.



WHETE 4 MEN

Englisch v. Gunsberg, Hamburg 1885. Missed chances can occur in the simplest positions. Here White (to play) is a pawn down in a seemingly drawn. rook endgame, so he restored material equality by I Raras and quickly negotiated peace. How could he have won? Solution, Page XIX

Leonard Barden

Below, chic fake occiot fur holdail, by Oscrey £169, from a selection at Harvey Nichole, London SW1 or by mail order from

Osprey at Unit 4 Bowers Parade, Harpenden, Herts ALS QSH

(tel. 05827-85385)

Left, a Bill Amberg design for

Joseph - a tan leather bag in

for the largest, £149 for the

Fulham Road, London SW3

smallest from Joseph, 77

and 26, Sloane Street,

London, SW1

How do you travel - with just a toothbrush and T-shirt, or enough clobber to clothe an army? Lucia van der Post finds a bag to suit

How do you travel - with just a toothorush and Luggage that packs a punch on the holiday front

HE CREAT summer tribal rite is under way. Large numbers of people are on the move and the annual pack-up is going on in a thousand households. It's the time of year when fashion editors are prone to go in for lots of chirpy advice on how to travel the world with nothing but a few crisp white T-shirts and a toothbrush. But worry not, this article isn't going to be one of them - this is about huggage.

What kind of luggage and how much you decide to put in it is between you and your spine - there will be no guiltinducing stuff from me about how only the chronically ill-orcanised need more than a little round carry-all. You can rest assured that, at any airport, I am the one with the plastic bags, the heavy suitcase and the worried look.

I believe there are two main approaches. You can decide to go for investment luggage you know the sort of thing, a wonderful Louis Vuitton boldall something in leather from Hermés or Loewe, an efficient and sturdy piece from Lark or Tanner Krolle: something that will last forever AND make you feel a match for Elizabeth Taylor on the move (17 serious sultcases are said to precede her on one of her trips to London). Or - and price usually means that this is what most of us end up with - you can go for the cheap, tough, cheerful and anonymous. This induces an extraordinary carefree attitude towards airport carousels which is surprisingly liberating.

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The comment :

However, what the majority of us tend to settle for is a combination of the two: something rather fine and splendid which we always carry ourselves and regard as an extension of our wardrobe, and something rather cheaper which we can hurl happily into the turmoil of the airport

These days, whether in grand or minimal style, we are spoiled for choice. Whereas luggage used to be sold in mainly grand and rather formal shops, today every department store and a host of fashion shops and stores carry a vast selection.

As luggage is increasingly seen as being as important as the clothes one wears, many a big-name designer has turned his attention to the matter and is charging for the privi-lege. At Raiph Lauren, where they home in on a discreet oldmoney look, there is a black watch cotton (treated) and leather collection which looks wonderfully, insouciantly elegant - but a holdail will set you back £155 and a large holi-

day suitcase £1.500.

There still seems a surprising demand for old-fashioned Gladstone bags, hunting bags and proper solid cabin trunks clad in traditional materials like leather and canvas, for all the world as if we still had continents to conquer and empires to be won. A new proponent of the charming, nostalgic school of huggage is J & M Davidson, which does a lovely line in dhurrie and tapestry weaves - the floral canvas holdall sketched here conveys something of the charm of the

Bill Amberg is another new designer of luggage who seems to be making waves in the three years he has been designing. His models seem a cunning mixture of new and old. There are fine leather pieces often one-off commissions based on classic lines - but then there is the jug duffle carry-all, sketched here, originally designed in leather for the menswear designer Paul Smith but which is now available in tough ripstop sailcloth or bright cotton. Bill Amberg's designs have been taken up in a big way by Liberty in London's Regent Street, where some of his designs are on display in the modern classics department.

For real modernists who believe that their luggage should be light, portable and in a thoroughly hi-tech material, Mandarina Duck is one of the names to look out for. Constantly innovating, often coming up with quite new materials (look particularly for the "Forte" range made from rubber - supple, flexible and strong) they are bags to take one comfortably into the 21st

century. Mandarina Duck seems to offer almost every conceivable

shape and size in small, portable briefcases-cum-holdalls square, oblong, bulky, slim, there's got to be something for almost everybody in the range. Authentics of 42. Shelton Street, Covent Garden, London WC2 has a large selection.

remember for baggage and holdalls that verge more towards the fashionable than the hitech. The company started out producing small accessories such as belts and gloves and has now included a range of interesting bags, briefcases and holdalls. Look out for lots of fake wildlife coming in the autumn (the "ocelot" boldall sketched here, for example) as well as some beautifully-made classic items like briefcases and the "mock croc" leather "honeymoon" handbag.

When it comes to camera bags some of the most practical containers are those made by the American company of Tamrac. Tough, durable, infinitely flexible, there is a mass of different styles, each offering a combination of zins and pockets and ranging from a case just big enough to take a

Osprey is another name to

small camera and some spare film to a full-blown profession-

Above, enchanting plak and

beige floral printed canyas

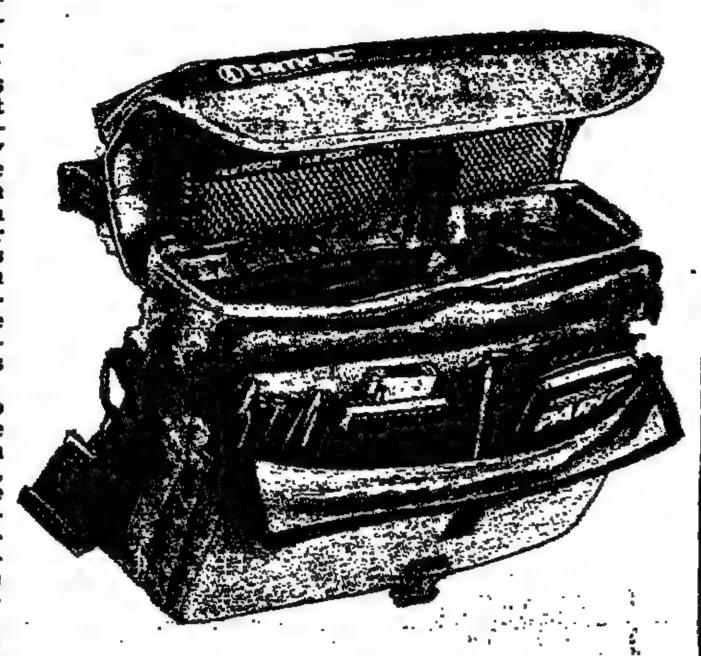
Road, London SW3 and 26.

Sloane Street, London SW1

from Joseph, 77, Fulham

bag by J & M Davidson, £220

als' bag. Many offer a useful combination of bag and camera case so that passports, travellers cheques et al can be carried together with the camera equipment. Prices start at £10.95 for a little compact camera case and go up to £259.99 for a professional's bag.



To protect cameras from the hazards of the journey - one of Tamrac's range of sturdy camera bags, £99.95 from most good

# And now, the no-snore pillow

Simon Hinde of Which? on ideas you never knew you needed

THE PILLOW that stops your face wrinkling, the umbrella whose handle lights up, the uitrasonic dog repeller, Drive Alert, which pluge into your car cigarette lighter socket and releases measured doses of essential oils into the atmosphere . . . these are all clever ideas, but none is as clever as the catalogues in

Right, tan "mock croc" large

from Osprey, Unit 4, Bowers

travelling handbag (the honeymoon

Parade, Harpenden, Herts AL5 QSH

bag they call it), by Osprey, £169

from Harvey Nichols or by mail

which they appear. The catalogues fall out of our credit card statements and colour newspaper

supplements, containing an apparently endless range of (usually) matt black gadgets that will check your tyre pressures, your blood/alcohol level or your spelling, translate into the major European languages or simply keep a record of appointments,

addresses and phone numbers.
They make claims for their products which range from the simple, unvarnished superlative - "The most accurate clock in the world" - down through a whole

declension of qualification:
"The brightest torch in the world?" (note the question mark); "The saving on expensive chemicals means

that the cleaner could soon pay for itself (note the careful conditional); "With a modicum of luck, it may pay for itself in a few short weeks," (note the extremely careful qualification).

Another favourite technique is the appeal to technology and expertise. The classic text here is, of course: "Developed for use by the astronauts on the Apollo space program" (the Triple Action Space Pen). In a variation on the theme, the Swingrite practice golf club is endorsed by Bernard Gallagher thus: "Without question the best teaching aid for the amateur golfer," in the Autumn 1989 Innovations catalogue. (The same quotation appears in the Spring 1990 catalogue but

Gallagher's name is

unaccountably missing.) There's a clear hierarchy of expertise, too. The ideal is to have been invented by an expert, like the "snore-stop pillow, designed by a UK Ear, Nose and Throat Surgeon." Pailing that on for expert endorsement, like Medi-pillow ("approved by registered physiotherapists and osteopaths"). Sadly, the best that can be said for the the "anti-wrinkle villow" is that "many satisfied users in the US claim it works!"

It was heartening that one product sold itself on the hasis of rigorous testing, "At a design show in Paris the Stunt Watch was strapped to a motorcycle wheel turning continuously over bricks. Ten hours later it was found to be in perfect working order." As a test method, this would find little favour at the Which? laboratory - no relevance to how the product is used in

real life; proves nothing but it at least shows that the people behind the catalogues appreciate the importance of.

rigorous testing. Our lab staff devised tests for a number of the gadgets in the catalogues. First, the good news. Everything worked and the one damaged item was replaced promptly. A screw-in car aerial.

designed as an instant replacement if yours is broken, was easy to fit and looked neat. It received FM about as well as a metal coathanger - a common but less attractive alternative. A tyre pressure measuring device was easy to use and fairly accurate - though at £19.95 a lot more expensive than using a petrol station air line. Paperlok, a machine for attaching sheets of paper together without using staples, worked almost as well

as a conventional stapler. The bad news was that Clever Caps — tyre pressure indicators designed to be fitted to your valves and left there were inaccurate. And they let one of the tyres down on

our test car. The matt black Pocket Tool Card - which packs four screwdriver bits, a saw, knife, tape measure and spirit level into something roughly the size and shape of a credit card - was so flimsy that you

could use it for little more than changing a ping.
The Anti-Jet Lag Formula pills which "should [the careful conditional again] enable travellers to adjust to international time zones with minimal effects from jet lag" appeared to have little medical basis. It did nothing for our three guines pigs, Holiday Which? researchers on a trip to the Far East. One found the tablets hard to swallow, a useful metaphor for much else

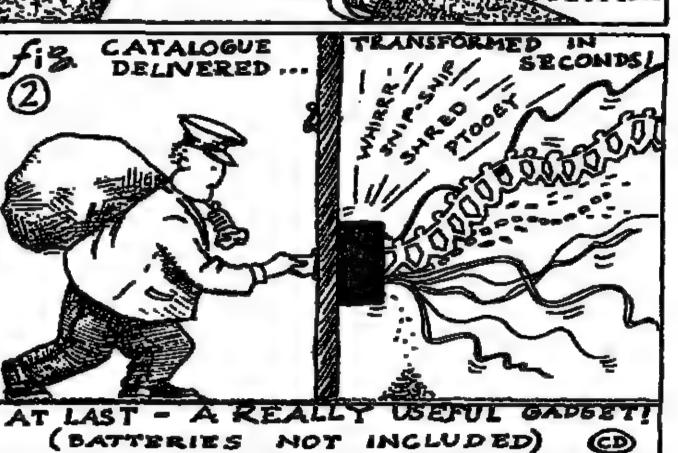
in the catalogues. We also looked at a number of exercise machines from the catalogues. None of them was any good and one was of a type that has been banned in other countries because it could injure your back. It was much the same story with DIY blood pressure measuring devices: none of them be relied on to be accurate.

"Ties are one of the most difficult things to organise." claims one catalogue. The mind turns to other examples of organisational complexity. such as the World Cup or the administration of the poll tax; the catalogues contain no solutions to these. But £12.95

> EMMA HOPE'S SHOES SALE Starte Saturday 28th July 28 AMWELL STREET BC1 Tel: 071-835 2967

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will buy you an end to disorganised tie misery. "Tie System Plus . . . a neat, automatic rack that will not only store 24 ties neatly, but also rotate them at the press of a button."

We tested it. It does what

it claims. But we were at a loss as to why anybody should want one. Our verdict on Tie System Plus applies to many of the other gadgets in the catalogues: "A complicated solution to a problem you didn't know you had."

Above, a Bill Amberg (ug

only available in ripstop

such as Harvey Nichols,

Liberty and Janet Fitch, 2,

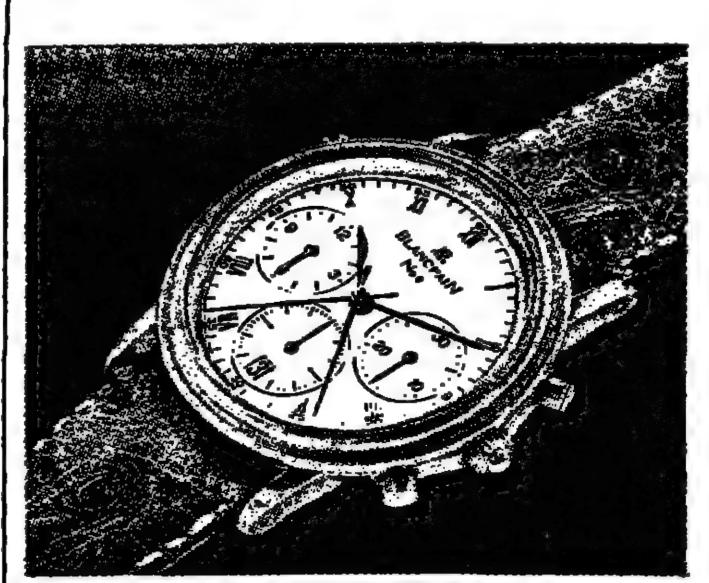
Percy Street, London W1

duffie, originally designed in

salicioth or bright cottons. £45

leather for Paul Smith, now

from Bill Amberg stockists



SINCE 1735 THEKE HAS NEVER BEEN A QUARTZ BLANCPAIN WATCH. AND THERE NEVER WILL BE.

BLANCPAIN

A World First, Musepoor process the exchange with the assumpte chapter

create with softr-second hend - one of

the sariest as the waterschape as, Only a very intented quantry of these anglesactivities of the eldest wetch along a the made every year, The movement systems a property in PROPERTY WITH PROPERTY.

EGENTAL Agent, Complete, Paper & White, Come Harris, Commit. Limite Minor Avendure, The Water Colory Spring Nine Phillips (199527 Rebell MARCHESTE) America & San Lini ASADAIG Bracker & Sydembors (Ross, IP C.S. Bedfort, and at Austria; of Thingson of Santonium, Substituted of Sydembors by Shangson SA - CS-1949 to Steam. - Santonium - Fys. 98046-21 846-91 88 161 88941-021 846-982



Miss Corbishly found a letter with a George V penny stamp behind her desk. It was an invoice that went missing in 1928 - she remembered it well. The reason it came to light was that everything is being moved about owing to the impending rebuilding works that have been commissioned. As the Chairman quips on an

floor but that's another storey."

Needless to say the various masons, hewers of wood and other craftspeople require us to give them room so give them room we must. By kind permission of the Chairman therefore, we present our first rebuilding sale for almost hourly basis, "We're adding another 84 years.

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## YACHTING/MOTORING

# Perestroika waives the rules for Soviet sailors

Keith Wheatley reports on a military first for the Cutty Sark Tall Ships race

NDREW Berezkin's job is to train medics for the Russian Navy. Among other subjects he teaches them to sail. "Doctors make good yachtsmen, much better than the real sailors at navigation," says Berezkin. "Also, doctors must be good psychologists and being on a small boat, doing every job for yourself, helps to understand other peoples' problems."

aboard the 50ft sloop Rus, currently taking part in the 19th Cutty Sark Tall Ships race. The world has grown almost blasé about the sight of the huge Russian square-riggers regularly entered by the country's coastguard and merchant marine academies. However, Rus is a real breakthrough.

"Only since Gorbachev has this been possible. This is the first time military personnel have taken part," explained Berezkin, who pushed the boat non-stop through 11 days of westerly gales to finish the Leningrad-Plymouth passage in time for the start.

Se lo ol

"Our high officers think it is a good thing for the cadets to have the opportunity to meet cadets from western countries. It is the simple diplomacy of young men at sea. Now Moscow allows it."

Half of each crew will swap ship by ballot on the race's second leg from La Coruna to Bordeaux. This provides the intriguing possibility of young Dartmouth midshipmen from one of the British armed forces

yachts ending up aboard Rus. The keynote of the tall ships has always been camaraderie. As the ships gathered beneath Plymouth Hoe for the start, the pontoons were a veritable Tower of Babel. Chilean spoke unto Bulgarian as the two freemasonries - youth and the sea - worked their spell. Over 1,700 young people, aged from

16 to 25, are taking part in the

event aboard more than 60

One of the smartest vessels in the fleet is the Royalist.



proud jewel in the crown of the UK sea cadet movement Smart-as-new-paint cadets in sailor's hats showed their aunts and grannies around the brig as she lay alongside prior to tackling the rigours of the

Bay of Biscay. Aboard the Henryk Rutkowski, an impromptu deck party was under way. Visitors were treated to What Shall We Do With A Drunken Sailor with Polish verses and English chorus. The 84ft brigantine had been chartered for the race by the Universal import/export agency of Warsaw.

She is owned by the Polish Yachting Association and normally spends her time taking groups - ranging from Warsaw drug-addicts to Gdansk boy scouts - on Baltic sail training expeditions. On this ship, and also with the Bulgarian barquentine Kaliakra, one learned that the re-ordering of central Europe might not suit everyone as well as it does the

Soviet Navy. "I'm worried that with the privatisation of our economy something serious could happen to the sailing vessels," said Dr Joanna Pawluk, Pawluk, a cardiologist from Stettin, has spent every summer holiday since 1982 as a volunteer watch

leader aboard the Henryk Rut-kowski. "The Cutty Sark race has been my cheapest opportu-nity to see Europe. If we had to pay the real cost of such a trip it would not be possible."

From this year onwards the ship must find its own running costs rather than receive a state grant

Even in the relatively prosperous British economy, the half dozen or so sail training ships find it heavy weather to raise their considerable annua running costs. Few people doubt the value of the exercise but the true cost of a week aboard, say, the Sir Winston Churchill, far exceeds a package holiday in Majorca which the trainee might otherwise choose.

"We're lucky to still be government-funded," said Tom McCarthy, a Cork man and master of the Irish brigantine Asgard II. "The British vessels have to put so much of their energy into fundraising. It's time that should and could be spent taking young people to

As is so often the case. Ireland is pursuing imaginative policies. Half the trainees on every Asgard cruise are women. Hairy-chested matelots swinging from the yardarm are not needed on this voyage.

"Young men are infinitely more troublesome without the girls on board," said McCarthy. "The women are far more serious about the sailing and about things like being appointed watch leader. The three watch leaders on the race to La Coruna will all be girls."

By common consent, the coming month is the social focus of the talls ships world. Yachties may have Cowes; the big boys have the Cutty Sark.

"It's like an international family get-together, the big event of the year," added McCarthy, "Naturally we have a good reputation in the fleet for hospitality. Guinness always make sure we have a few barrels on board and it doesn't keep too hadly at sea."



Some of the fleet of Beneteau cruiser racers operated by Sunsail International

# Companies are all at sea

Corporate sailing is taking off, says Peter Johnson

HERE ARE as many ways of getting into sailing as there are shapes and sizes of sailboats. Conventional wisdom is that

the best tack is a week's course at a sailing school. Some begin by crewing for friends on medium or large cruisers. The luckiest ones probably started young, using an 8ft sailing dinghy. Certainly the worst method is to buy a boat, then set off with good intentions, apprehensive family members. and not much else.

Another method which has emerged in the last few years, is sail training with a company - sometimes known as corporate sailing or the corporate regatta.

Such sailing programmes frequently consist of a couple of days at the weekend or, sometimes, during the week if your company is generous. Companies often accommodate dealers, people from branches, and even long-standing cus-

As the demand has built for this unusually active form of corporate entertainment, conventional sailing schools have invested in fleets of identical

porate use.

The services have long encouraged personnel to actively sail and for years have owned boats for this purpose. Some of the clearing banks have owned sailing boats for staff use for a number of years. Now that it is possible to charter a fleet of yachts for short periods, commercial and professional concerns have joined in.

A popular format at Sunsail International, whose French designed and built 38-foot Beneteaus are based at Port Solent, Portsmouth, is a oneday outing. Sunsail typically use six or seven boats with five crew with the option of a professional skipper. After safety briefings boats go on a practice sail to familiarise everyone with basic steering, sail handling and anchoring. Then they meet for a champagne lunch. The afternoon is spent racing back to base.

Sunsail has two 32ft 6in sailing cruisers on Lake Windermere for companies in the North and for "tasters" before going south to the main fleet. Slightly smaller (32ft) West-

the board joined with Julian

Rimmer to run a restaurant

boat called Lady Rose of

Regents on the Regents Canal.

also supported by the board, is

now to sail on the Monmouth

and Brecon canal in South

cial director believes there is

scope on the system for about

The quality of boating on the

canals is quickly improving.

Buyers want luxurious steel

boats built to standards of

accommodation that would

have seemed outrageous to

canal enthusiasts of an earlier

age. Demand is so brisk that a

buyer should expect to wait at

fleets on the system are also

finding that this season their

best boats are being hired first.

marketing for canal cruising

under the slogan: "The fastest

way of slowing down." His

campaign is going well. The

number of canal boat licence

holders rose last year by 6 per

room for newcomers.

Legend of Tintagel

Valdor is revving up the

The 120 operators of hire

20 similar boats.

least nine months.

Ian Valdor, the BW commer-

A second restaurant boat,

For less demanding sailing,

than 12 similar boats were used, with six persons on each.

introduced to corporate sailing through the Air Canada Industry Sailing Challenge. The original idea called on UK compaboat in a race which went twice around the Isle of Wight. Canadian provinces or companies sponsored each round. Competition has now so

intensified, with 70 companies applying to sail this year, that an additional slightly more relaxed event, the Westerly Sailing Challenge, will take place over three weekends in September.

British Performance Sailing based at Lymington, runs company sailing with more emphasis on race training. It uses six First Class Europes, distinctly tricky racers, for Commercial Motor and its clients to hold three days of races.

Other types of company sailing come under the heading of "career development" or "manback to what the services have practised all these years.

More emphasis is placed on team work and tolerance when boats are taken on more demanding, longer night passages. The relationship between enduring some hardship and physical stress and management ability is perhaps over-rated, but for some people and some kinds of business, it may be stimulating.

British Performance Sailing Valdor says that the only (BPS), Lymington, Hampshire S041 9YL; Sunsail Internapart of the canal system that can be truly described as congested is the beautiful Llangolien canal with its aqueducts. tional, Port Solent, Portsmouth, Hampshire P06 4TH: Westerly Elsewhere there is plenty of Sea School, Hamble, Southampton S03 5NB.

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modern cruiser racers for cor- erly Fulmars comprise the fleet of Westerly Sea School on the Hamble River, Individual training is run mid-week, leaving the weekends for corporate regattas. A firm gets to know its preferred programme after one trip and Westerly will arrange a schedule to fit requirements - for instance a two-day event with three races.

> both Sunsail and Westerly have large power boats, which can be used for more conventional corporate entertainment. Stephen Hubbard, a partner of Richard Ellis which uses Sunsail, said: "After several visits with our own people, we held a more open corporate regatta this May. There was a crew in each boat from a major client plus one Richard Ellis partner. We also had one all-Richard Ellis boat. No less

"Admittedly this all requires a lot of organisation and one needs sizeable clients, who can can find enough yacht crews. However sailing has a high profile in this firm and we have plans to develop suitable regatta formats in the next few

> Several companies have been been killed on the A9.

and more irrelevant. Next, a reaction from an

Carr, of Southampton, NY. Like many of his friends, he

most comfortable car in the world. On the besis of my expeagement training," harking rience of the Lexus 400 on

# Critic on the right track

O MY surprise, no reader has so far leapt to the defence of the ultra-fast, road-going supercar, hand-made at vast expense in small quantities. Two weeks ago, when reported having sampled the £120,000 Aston Martin Virage, I said I couldn't see much point in continuing to make cars like it because they were out of tune with our times. They were fuel swilling and could only be seen at their best if driven at illegal speeds. And were they, I asked, necessarily any better as machines than

cars made, not by hand, but by robots in high-technology fac-The angry letters from Lagonda lovers and furious faxes from Ferrari owners have sure they must be on their way. But comments from two readers, and a statement by a government minister, persuade me that I may be on the right

First, what can you do with your megabuck mechanical masterpiece? You can be seen with it. drawing up at some fashionable watering hole. You may well be able to play with it for a few months and then sell it at a profit.

But you had better abandon any thoughts of driving it on the public highway as its makers had intended if the policy of Perth Sheriff Court is as trend-setting as I suspect.

Hector Urquhart, of Inverness, drew my attention to the deterrent level of fines and driving bans imposed at Perth last month on motorists who had been caught doing seriously excessive speeds on the A9 road.

Two businessmen had been caught driving Porsche 911s. One admitted to a short dash at 155mph (249kmh), the other to 130mph (209kmh). The third, a 22-year-old in a surprisingly quick Vauxhall Belmont SRi. had been clocked at 120mph (193kmh) - allegedly in pursuit of the slower of the two

Stuart Marshall keeps challenging the relevance of supercars

Porsches, All admitted the offences - one cannot argue with radar - and each was fined £750, with a two-year driving ban. None was involved in an accident or even an incident, but police told the sheriff that so far this year one person per month had

So much for putting to the test very high performance claims that, while genuine enough, are becoming more

American reader, F William Having seen my comments on the Virage, he wrote in praise of his Toyota-built

had traded in a much costlier, more prestigious European car (in his case a Mercedes 560) to buy a Lexus. He - and they believed it to be the quietest,

high-speed test tracks, West German autobahn and normal roads. I would not disagree. "I had always treated an auto as a necessary nuisance, Carr wrote, "but the Lexus is so pleasant to drive, and the special sound system so great

to hear, that for the first time in 35 years, I drove the 1,300m (2,100km) from Palm Beach to Using limited-access highways, on which he must have bent the current 65mph/ 105kmh legal maximum just a little, he averaged 68.5mph (110kmh) and a remarkable 23.3m per US gallon (28mpg Imperial, 10 litres/100km).

My third quote, from the Environment Minister David Trippier, enshrines an official attitude we are going to hear more frequently and insistently in the green years ahead. "We all know we do not need to use as much fuel as we do," said the minister, "and we would all be better off in every sense of the word if we used less." An obvious way to help improve the environment was to put fuel economy higher in

our order of priorities. The scope for improvement was great. "If I were to go out now and buy one of the 1300cc cars. I would find that their fuel efficiency varied by a massive 45 per cent. That is an awful lot of needless global warning."

A look at the Department of Transport's official New Car Consumptions booklet is revealing.

A rule-of-thumb reckoning to arrive at a realistic approximation of a car's consumption in normal use is to divide the official urban consumption by two and the figures for constant 56mph/90kmh and 75mph/ 120kmh by four. You should then round off the answer to the nearest mile. But bear in mind that if your typical day's use of a car is to drive five miles to your office in the morning and five miles back home at night, the figure will be hopelessly optimistic, especially in winter.

This reckoning gives 49mpg (5.76 litres/100km) for a 1297cc Ford Escort L; 38mpg (7.43 litres/100km) for a 1299cc Hyundai Pony and 32mpg (8.82 litres/100km) for a Lada Riva all figures for 5-speed manual gearbox models. You can see what the minister had in mind.

According to this rule-ofthumb, my present car, a Citroen XM 2.1 litre turbo-diesel, should average 41.8mpg/ 6.75 litres/100km. Remarkable though that may seem to anyone not familiar with a diesel car's potential for economy, it is actually doing even better. It has used 53.84 gallons (244.98 litres) of fuel for 2,327m (3745km). That equals 43.2mpg (6.54 litres/100km) - which for a big, five-seat car is almost

Quite a lot of my motoring is at or around the tolerated 80mph (130kmh) motorway limit but the KM also has its fair share of short trips and plenty of use in heavy traffic. I rarely make full use of the

turbocharger for hard acceleration and see little need ever to exceed 3,000rpm in any gear, which equals almost 90mph (144kmh) in fifth. It is about time someone in an official position put in a good word for the environmentally friendly

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# Tide turns to leisure on Britain's canals

Roy Hodson on the latest stage in a renaissance of the UK's waterways

music, fairground rides, clowns and clogdancing, at Devizes in Wiltshire on August 8, will mark the reopening by the Queen of the 87-mile Kennet and Avon canal.

It will be seen as the most significant event in the renaissance of Britain's 200-year-old canal system since commerce turned its back upon water transport.

For 41 years in the 19th century, the Kennet and Avon canal, opened in 1810, was a great trade route. It was Britain's quickest commercial overland link between the Atlantic coast and the North Sea, connecting Bristol's Avon with the River Thames. But by 1851 it had fallen into disuse, a victim of competition from the

new railway. Today the traffic on the inland waterways of England and Wales consists of 25,000 cruising boats which provide pleasure for more than 500,000

The restoration of the Kennet and Avon, at a cost of £4m, is the culmination of a long campaign by canal-lovers to save most of the 2,000-mile system. The Kennet and Avon Trust raised £2m and local authorities gave generous support. Various manpower training schemes and voluntary groups have also helped by providing labour to clear and re-build the disused locks. British Waterways directed

the work - although it can expect little return from traffic during the next few years for the canal is short of water.

Defects in the original 19th century design mean there is no adequate summit pound (reservoir) to maintain water levels throughout the canal in dry summers.



tant component in any

Both the Department of the

national strategy for leisure.

Would-be users are having to book a slot to pass along the full length and may have to wait weeks for the privilege. However that restriction will not interfere with boat-owners who want to moor a boat on the canal and confine their cruising to, say, 20 miles in each direction.

British Waterways people may look upon the reopening jollifications with mixed feelings, but they have no doubt about their importance. It is that the English and Welsh canals under British

Waterways jurisdiction are wholesale destruction, and can in fact be regarded an impor-

now as safe as can be from

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Environment and the Treasury have recently agreed to British Waterways' integrated business plan. That provides for profits earned from development of canal property (notably in cities), and profits from development along the rural canal banks, to be used to pay for maintenance arrears, and on improving the system with

marinas and restaurants. It means BW will be able to reduce its dependence upon the Treasury, at least by a smidgin. Canals receive £45m a year in government grants to help them stay in business.

leisure developments such as

Income from freight is only £2m pa. Income from canal boats, angling, and other leisure uses is £5.4m. Selling and managing water earns just over £2m. The biggest earner is BW property which brought in nearly £10m last year.

British Waterways' best potential cash cow is a central London development being studied by Westminster council. It would transform the seedy area of Paddington basin and provide a stylish marina. There would be a 1.5 mile waikway along the canal between the area called Little Venice and Paddington. The total regeneration proposed would cost £600m and would be carried out by Trafalgar House and British Waterways.

te energe of the energy of the property of the control of the cont

A second scheme for redevelopment of the site of Limehouse Basin in the East End has started and will be carried out in stages over seven years. Joint ventures with entrepreneurs to run marinas and other leisure facilities on the canals are another way ahead for British Waterways. As an early venture into those waters

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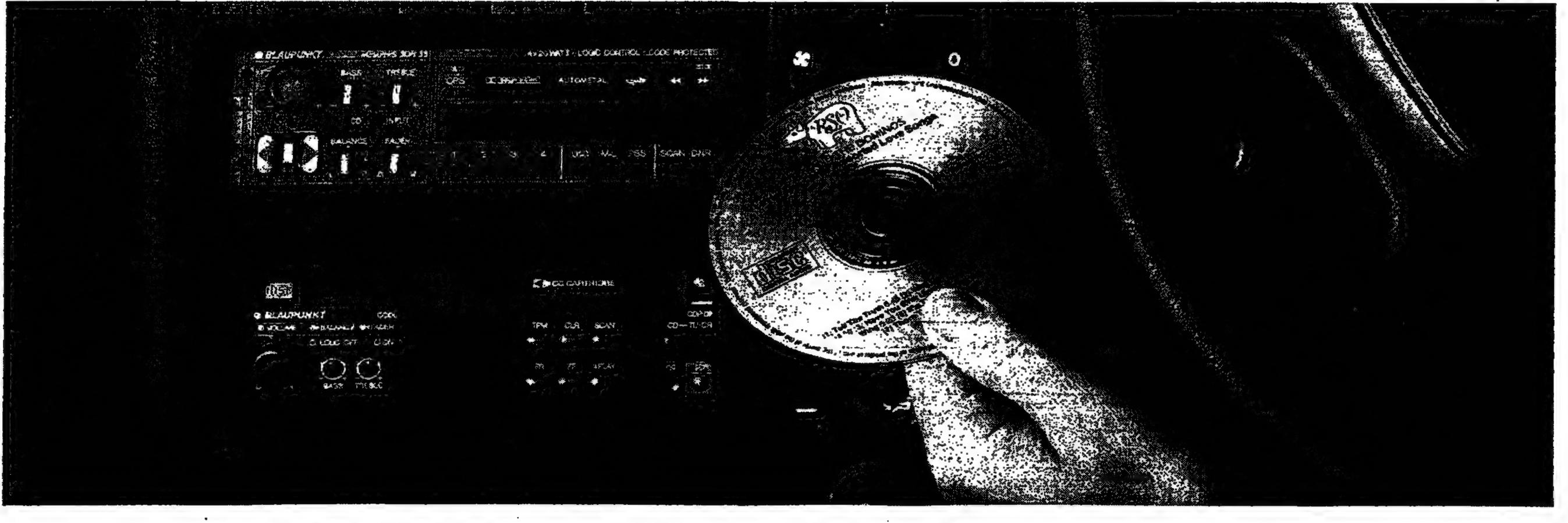
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# Seville's secrets: a search for the bones of Columbus

tower, shaped like a mushroom, spun us 60 metres into the sky. A Japa-nese clicked his umpteenth photograph and said: "From up here, everything looks small." I looked out across the landscape of steel girders, cranes, concrete slabs and Portakabins, trying to imagine a different kind of revelation. We were overlooking the prime piece of real estate reserved on the out-skirts of Seville for the Expo World Trade Fair of 1992.

I had travelled to Seville looking not for entertainment but for Christopher Columbus. In two years' time, the official launch of Expo has been timed to coincide with the 500th anniversary of his "discovery" of America. Seville, the port from which Spanish sailors and conquistadores set off for the New World, seemed as good a place as any to begin my quest.

My guide - a Spaniard working for a US PR firm was full of reassurance: "Columbus is the point of departure for understanding man's development and universality as we know it today . . . He was a landmark, the beginning of a whole new age," he said. So I waited for the watchtower to spin us down to ground level before visiting the nearby Monastery of La Cartuja.

Two weeks earlier an assembly of academics meeting in Seville had failed to agree on where exactly Columbus had been born and where he was buried. But the documentation that existed suggested with some certainty that the bones of Columbus and his son had rested for nearly 50 years in La Cartuia.

The Spanish Government is spending a lot of money on renovating this 15th century Carthusian ruin. Even in its crumbling state, it is an impressive image of architectural styles: Mudejar, Renaissance, Gothic, Baroque. At its entrance, a huge obu tree reputedly planted by Columbus' son Hernando more than 400 years ago in memory of his father extended its roots and branches like a giant octopus. Two artisans were working on

E COULD have it with pickforks, exposing its been in Disney-cluttered roots.

In the watch-one of them said: "I haven't ously indeed."

got a bitch of an idea if Columbus was ever buried here or not. Some say this is where he prayed once. Maybe you should ask the archaeologists." He was called Francisco. He was unshaven and pot bellied and his grey hair was covered in dust. His colleague was stripped to the waist and had a mane of jet black hair and a moustache. He introduced himself as "El Moro."

Together, they led me through the rains to the site of the crypt. A stone slab partly covered the dust floor where Columbus and his son received

temporary sepulchre after

returning from South America.

It could have been the begin-

ning of a wine vault, a con-

crete depot even, but there was

nothing to suggest a historic

spot. The crypt was empty.

Francisco noticed my disap-

pointment: "We dig up new

bones every week. Come, I'll

show the latest bundle we've

Santa Maria Magdalena, the

ribs looked like discarded

pieces of chalk. They were cov-

ered by a sheet of plastic. El

Moro kicked the dust and

grunted. "Yes, some say he is

in Santo Domingo, others say

he is in the cathedral here in Seville. Who knows, maybe the

What better person to solve the

mystery. I thought, than the

Duke of Alba, whose household

claims not only descendancy

from Columbus but also the

possession in its archives of

the most complete set of letters

and notes belonging to the

a former priest who married

the widowed Duchess of Alba a

few years ago. Strictly speak-

ing he is a consort rather than

a duke, but this former acade-

mician takes his current duties

as Commissioner for Seville

HOLIDAYS & TRAVEL

explorer. Jose Maria Aguirre is

In the ruin of the Chapel of

discovered."

archeologists do."

He had granted me an audience in the former royal palace which lies between a square of orange trees and the old city wall. The Real Alcazares has a of civic Mudejar art in Spain: a maze of inner patios and pillars lined with geometric-patterned tiles and panelling. Built in 1361, it was the first luxurious palace to be inhab-

ited by a Castilian monarch. The Duke was waiting for me in the palace's former reading room, dressed in a loud yellow shirt and light brown

In his diary, Columbus had written that the lands of the New World reminded him of Andalucia in May, but sub-merged in the modern bustle I had to stretch the imagination to picture him pacing the streets of 15th century Seville with his newly-acquired spices and slaves.

I also found it hard to believe that Columbus had been permanently laid to rest in the cathedral. Part of the problem was that the Sevillenos don't really believe it either. His marble tomb is held aloft by courtiers just by the visitors' entrance; however, visitors are not pointed in that direction but rather onwards

The city is gearing up for the 500th anniversary of

the Spanish explorer's discovery of America. Jimmy Burns went looking for a legend

> The Duke spoke: "In Seville, the history of the discovery has been incorporated into the collective consciousness of the people." I asked him why it was that some Latin Americans rebelled against the notion of celebrating the 500th anniversary of their discovery by Spaniards.

proved intolerant of my ques-

tioning, as if he had expected

me simply to listen.

The Duke spoke: "Latin Americans have an inferiority complex like the Portuguese. and they have it whenever they look at each other in the mirror. It's called being half-

Afterwards I wandered round the city centre. The jacaranda and a squat local oak called "banana tree of the Indies" were in full bloom along the river Guadalouivir. The tourist buses manoeuvred like unruly elephants through public squares and between the narrow streets of whitewash and grilled windows; on the steps of the cathedral a group of Ecuadorian Indians easily mistaken for gypsies were doing a brisk trade in ponchos and key rings. The scent of orange blossom was sweet in the spring air, mixed with diesel.

about to give a lecture. He towards the interior of this huge Gothic edifice and its thousands of artifices. The tomb does not bear the man's name, just the simple inscription: Novo Mundo.

> I drove south towards Cadiz. to where Columbus had sailed on his return from the West Indies. The motorway was bordered with broom. Beyond, the countryside opened into rolling carpets of wheat.

> midday I was in Jerez where another descendant of Colum-L bus had arranged to meet me. He was Manuel Prado Colon (Columbus) de Carvajal, 17th in the line of descendants. He was in Jerez to watch his bulls perform in a competition bullfight. Because of a contagious disease, horses were banned from the feria this year, but the women were out with their multi-coloured dresses and dangling ear-rings, and the chilled sherry - served in small plastic cups - flowed like water.

> In the presence of my colleague - an Italian journalist with melancholic good looks -Don Manuel, a self-confessed womaniser, was in ebullient mood. With his bushy white beard and one arm (the other was lost in an accident) he

looked and spoke like a conquistodor just back from the Americas.

"I am more Latin American than the Duke of Alba because I was born there, guapa," said Don Manuel, who was born in Quito to a Chilean father and claims additional blood ties with the Aztec prince Monte-zuma. Don Manuel also didn't want to be drawn on the true whereabouts of Christopher Columbus. He suggested that the controversy would have best been settled had the discoverer's bones been turned into ashes before being distributed around the universe.

But he had no doubt about Columbus's importance. "I feel passionate (about him). I've left everything to be here in Andalucia so I can witness the happening of the century: the 500th anniversary of the

discovery." I drove on towards Cadiz, approaching the ancient port at sunset. Over the marshland and across the bay, fishing boats quivered in reflected light. Once inside Cadiz's ancient walls, it was possible to forget about the modern office blocks and wide polluted avenues, and marvel instead at one of Spain's most charming

To walk through the old quarter of La Vina is to encounter the architectural symbiosis of the the old and the new worlds. A tropical air hangs over the narrow streets lined with flower-strewn balconies and thick wooden doors carved from Latin American forests. Many buildings show the outward signs of neglect, and yet there are coats of arms over the doorways to remind one of grander days.

That night the old streets lamps bathed the town. It was the beginning of the weekend and along the cobbled streets. groups of young people spilled from bars and embraced each other. It was in one of these bars, the Club Habanero, that I struck up a conversation with the owner, Carlos. I was drawn to him because he was black and Cuban, a remnant of the old world which Columbus had discovered.

We drank daiquirris and dark rum on ice into the early hours of the morning. Carlos said he found himself at home bere because of the music and the gypsies. Cadiz has its own kind of flamenco which is quite distinct from the rest of Andalucia. They are songs of going and returning: over the centuries since Columbus, rhythms and melodies have been traded between Cadiz and Latin America and the resulting fusion has people dancing in the streets.

Beyond the music, however, Carlos felt no enthusiasm for either Columbus or his legacy. "The 'discoverers' were conquerors who destroyed cultures that already existed. And

T WAS the kind of villa one dreams

about on long winter evenings:

creamy vine-covered walls, spacious

rooms and a well-equipped kitchen with

fruit, fresh bread and two bottles of wine

on the table for our arrival, cooked chick-

ens, cheese and butter in the refrigerator.

In the garden, lemon trees, red hibiscus

bushes and stubby palmettos grew in the

grass around the swimming pool - all of

it to be found up a country lane in north

Majorca where fennel grew wild on the

There is another Majorca far removed

verge and pigs munched in the orchards.

from the crowded high-rise hotels of the

south, and if you head north from Palma

you soon find it: unspoilt villages, monas-

teries, deep forests and roads that hair-pin

through high rocky mountains with stun-

ning views of the sea below. You can walk

of Pollensa and the more modern Puerto

Pollensa, at the foot of the Sierra de San

Vicente mountains, Pollensa, named by

the Romans, is a maze of narrow streets

that lie between tall, shuttered, gold-

brown stone houses: 365 cypress-lined

steps lead up to the famous Calvari, one or

two restaurants and shops clustering at

the bottom but grass growing through the

At the top is an 18th century chapel

Our reward for getting there is a pan-

oramic view of the town, twisting olive

trees on the wide plain beyond and, in the

distance, the Puig de Maria with its 14th

morning, along a lane shaded by almond

trees, carob and rampent prickly pear. I

learnt the hard way not to pick up these

pears without protective gloves. You can

drive part of the way to the top but the

We walked to this monastery one hot

century hill-top monastery.

TOUR operators are this

weekend congratulating them-

floors of abandoned houses higher up.

Our villa lay between the ancient town

for miles, as we did, and see no-one.

what did they bring back to Europe? Gold, parrots and

Oh, dear me, I mused the next morning as I set off into the wilds of Andalucia, nursing an appailing hangover. Consoling myself with the thought that Columbus had in his own lifetime failed rather more times than he had triumphed, I retraced my steps, back through Seville and on towards the province of Huelva, where the great voyage had been con-ceived and delivered.

The road defined and shaped Andalucia at its most unspolit: neat, bright villages where old men sat in doorways and storks perched on church towers. Beyond came the fields of squat vines and of sunflower. pock-marking the landscape like a giant honeycomb. Columbus always remembered May, but he had left for the New World in August when Andalucia is like a desert.

His point of departure was Palos. This one-time fishing village is today a small agricul-

trial holocaust by a forest of tural town surrounded not by pine trees and an abundant water but by intensely cultigarden of tropical and local vated fields of strawberries. The old landing where Columplants. bus' three ships were moored The prior, Father Luis, was is today a wooden wreck. Across the estuary, the factories of Huelva pump putrid

he nearby monastery

of La Rabida is where

Columbus discussed

astronomy, cosmogra-

phy and God with a group of

patient Franciscans, convinc-

ing them of the spiritual use-

fulness of his enterprise: It was

from there that at dawn on

August 3 1492 he set off on his

transatientic travels after gain-

ing the blessing of the Catholic

rately restored after suffering

extensive earthquake damage

in the 18th century. It is grace-

fully shielded from the indus-

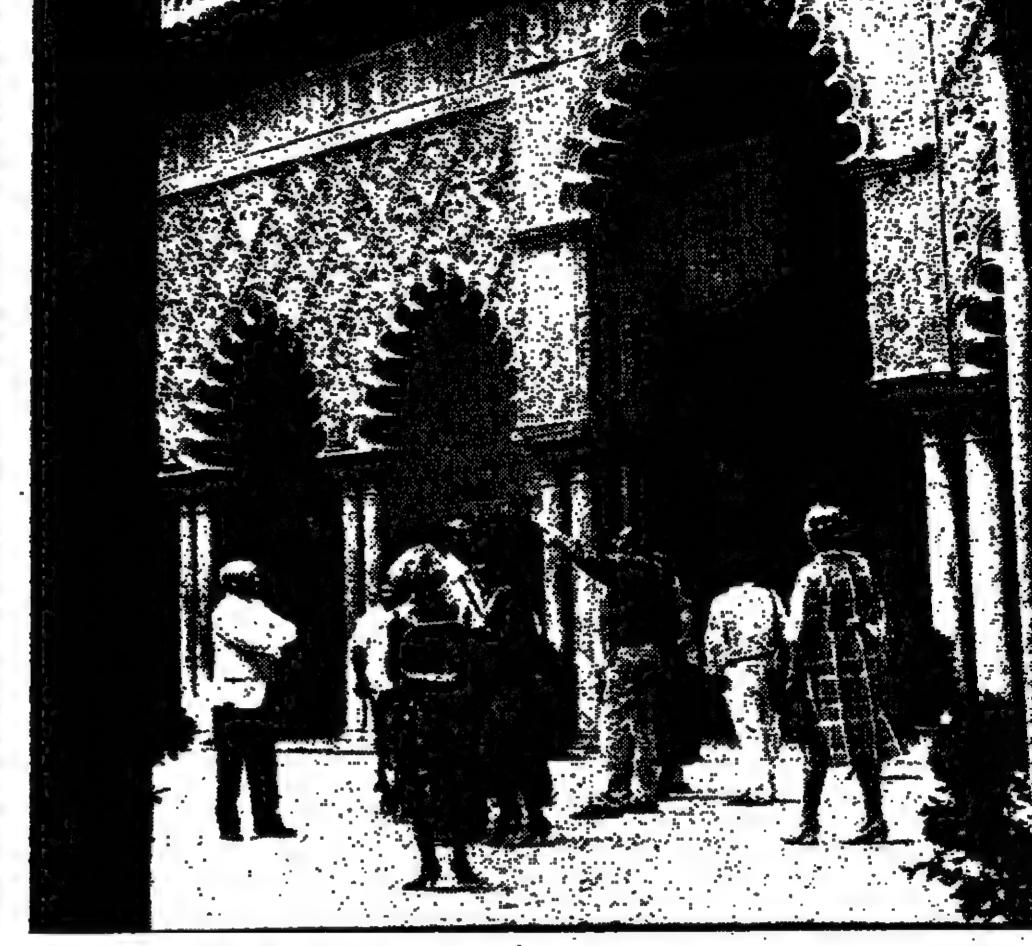
La Rabida has been accu-

monarchs.

there to accompany me and a Spanish family on a lightening tour of the monestery's intesmoke into the sky, but Palos rior, "Nothing is left from those days," he confessed, "but itself has miraculously at least we have the certainty retained an air of tranquility: that he was here." an agrarian outpost in the We wandered through midst of Andalucia's satanic

sparsely-furnished rooms and an impressive cloister before entering a chapel where one of the members of Columbus first crew lay buried beneath a 14th century wooden cross. The Christ figure looked strained, tortured even, just as Columbus, a Jew, would have seen Him in the year of the Inquisition before escaping on his historic voyage of discovery and conversion.

■ Jimmy Burns flew to Seville by Iberia and stayed at the Hotel Colon in Seville, and Paradores in Cadiz and Mazaoon where rooms bearn at around £37 a night.



Seville: an architectural symbiosis of the the old and the new worlds

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selves that their summer package holiday strategy looks to have worked out as planned. Faced earlier this year with a big fall in holiday bookings, operators decided to cut capacity rather than engaging in the sort of last-minute price-INFORMATION war of previous years which

cut profit margins to the bone and irritated many consumers. Figures from the Civil Aviation Authority, which monitors charter holiday traffic. show that the biggest 30 pack-FINANCIAL TIMES age holiday companies between them last year made

The other side of Majorca final stretch has to be done on foot. Just as you think you are never going to arrive, you round a corner and there it is: the Ermita de la Mare de Deu, an ancient church, candles burning at the altar and

only a buzzing fly to break the silence. In the adjoining Sanctuary we bought a hunch of cheese and tomatoes and bread spread with olive oil and ate it on a shady stone seat surrounded by an ever-increasing number of cats and dogs. You can stay the night here in a large and fairly spartan cell for £2.50 for two.

Another day we walked through the wooded Ternelles Valley to the ruins of a

Angela Wigglesworth finds a dream villa far removed from the bustle of the beaches

13th century Moorish fortress, El Castell del Rei. (Check first with the tourist information centre in Pollensa that the path is open). It is a lovely walk, around two hours each way, much of the early part along a shady mule path through woods of Spanish chestnut. At first sight the fortress, perched on a precipice, looks like a nile of rocks, but as you get closer you can see how magnificent it must once have been. In fact, the grandeur lingers on and we found ourselves inexplicably whisper-

We drove to Formentor, where the splendidly situated five-star Hotel Formentor overlooks the bay. It has unforgettably beautiful gardens. At the Monastery of Lluch, 25 km from Pollensa, a roadsweeper hummed Beethoven as he swept

up the leaves, but the monastery itself, with its sombre chapel, was disappointing. The town of Soller, however, was a delight, and from here you can take an Edwardian tram on a single-gauge tramway to Puerto Soller 5 km away, rattling through fields of sweetcorn and orchards of apricots. Just south of Soller is Valldemossa and the Carthusian monastery where Chopin and George Sand spent a bleak winter in 1838. A fresh rose is placed daily on his piano and you can read in his letters of his frustration with the local

that I'm going to get better," he writes." Tourists discovered the charm of Puerto Pollensa about 20 years ago and it is now a small, relaxed resort with a weekly market and dancing in the square on Sundays. Restaurants and cafés spill out on to the pedestrianised road by the sea, and the sandy beaches were uncrowded even in the last week of August:

doctors. "One says I'm not well, another

We spent a week there at the Hotel Sis Pins, which must be one of the nicest hotels in town; it has its own beach; you can breakfast under the pines. They do not serve evening meals but so many nearby restaurants do that the only problem is choice. We particularly liked Becfi (almost next door); and Vora Mar and La Cavina in neighbouring Cala San Vicente, Memorable dishes included excellent paellas. lamb with rosemary and honey, swordfish, rabbit stuffed with aubergines, and Ensaimadas, those light, sweet, Majorcan buns.

Information: We rented the villa from Meon Villa Holidays of Meon House, Petersfield, Hampshire, GU32 3JN. Prices include villa, flight, maid service, car with unlimited mileage, and cancellation and delay insurance, from £411 for two weeks. The Hotel Sis Pins, Puerto Pollensa, Majorca, costs from 27 per person per night.

#### TRAVEL BUSINESS

an aggregate net loss of £76,000 on turnover of slightly

more than £3bn. The 20 per cent reduction in charter air capacity initiated earlier this year has matched almost exactly the eventual overall fall in demand from holidaymakers, hit by high interest rates.

Holidaymakers who have left booking to the last minute are finding that not only are discounts not generally available, but also that choice is

limited, Lunu Poly, the largest travel agency chain, says that average prices have held up strongly at about £350 per person for two weeks in the Mediterranean, and that travellers cannot expect the very cheap late prices of recent years.

Small, specialist tour opera-tors are particularly short of late availability. "Apart from the odd pocket of availability, our members say there is little left until late August or September," says the Association

of Independent Tour

Operators. Packages are still available however, even to Greece, this summer's favourite Mediterranean destination. Horizon has two weeks to Rhodes available from next week at 2399 per person, But Spain is still seen by agents as the best destination for late availability, since it has suffered most from the down-turn in demand. The recent sunny weather has also prompted a surge in late bookings at British resorts -

Wales in particular. David Churchill

Four holiday looms. You are on your way to Naxos, or to some Black Sea resort. You dash into Heathrow or Gatwick and discover that, miracle of all miracles, your flight is leaving on time. Your wife is downing large gins and your regrettable offspring are carrying enough hi-fi gear to throw the sirport security staff into a

You start to panic: you have forgotten to buy any books. You burtle into the bookshop. The staff are spotty and juvenile: you will get no help from them. But there is a display of Top Ten paperbacks. There must be something there. Most are obviously thrillers, with loud finorescent covers. One or two are about sex. Which ones should you grab?

So as to save you money, let us start with the duds. Unless you are a fan - in which case you need extremely expensive therepy - at least six of the current Top Ten (source: WH Smith) should be avoided if humanly possible. Beneath the unfor-giving, blazing heat of the African sun," says the jacket of one, "two men and one women embark on a savage hunt" destined to sweep them "from the great hunting grounds of Zimbabwe to the killing fields of Mozambique." Right first time: Wilbur Smith with A Time To Die (Pan, 54.99). Smith is a storyteller, alright: you

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# Jane Barrier

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# Have paperbacks, will travel

Michael Thompson-Noel makes a dash for the airport bookstands

don't publish 21 chartbusting thrillers if you can't string a story together, but I find him stodgy and banal. Also ham-fisted with sex. A Time To Die contains one of the whimpiest, least tumescent sex scenes I have ever read.

Another to avoid is Trevayne (Grafton, £4.50), by Robert Ludhum, first published 17 years ago under a pseudonym. Like most of Ludium's books, this is a formula thriller: self-mede millionaire Andrew Trevayne grapples with the Washington establishment so that soon, everyone is gunning for him. Ludlum can organise a plot-line, but the writing is as soggy as a cardboard forest.

Dud No 3: The Negotiator, by poor old Frederick Forsyth (Corgi, 24.99). "The kidnapping of a young man on a country road in Oxfordshire is but the first brutal step in a ruthless plan to force the President of the United States out of office. If it succeeds, he will be pyschologically and emo-tionally destroyed." If I had to read books like this for a living, I would be sick on the

Dud No 4: Clear and Present Danger, by Tom Clancy (Fontana, £4.99). In this one, Colombian drug lords - yawn, yawn tired of being harassed by US law enforcement agents - yawn, yawn - have assas-sinated the American ambassador and the visiting head of the FBI - yawn, yawn. Clancy, author of The Hunt for Red Octo-ber and Red Storm Rising, is rated king of the techno-thrillers, but I find them impenetrable.

Dud No 5: Old Sins, by Penny Vincenzi (Rowan, £4.99). This is not a thriller, but the tale of two clever, stylish and ambitious women, etc., etc., fighting for control of a cosmetics empire. The publisher says it is a love story: "Polgnant, sexy, tempestuous, spanning 30 years..." The Guardian rather liked it. "Make no mistake," it said, "this is contemporary writing." I am starting to worry about The Guardian. At 985 pages, I found Old Sins absurdly over-

And so is Dud No 6: Star, by Danielle

Steel (Sphere, £3.99), the tale of Crystal Wyatt. "Neither rape, nor murder, nor the darkest scandals could keep her star from rising - even as it leads her away from the man she loves." Danielle Steel is described as a "descendant of the Löwenbrau beer berone. Her mother is Portuguese and her father is German. Their common language is French, although they all speak eight languages. There are another 24 Danielle Steel titles in paperback, leading me to wonder whether the

author is an international committee.

Not all the Top Ten paperbacks at
Heathrow and Gatwick are duds. The obvious one to grab is John le Carré's The Russia House (Coronet, £4.50), set in the third summer of perestroller, in which Barley Blair, disbevelled jazz-loving London publisher, falls in love with a woman called Katya after being sent a manuscript from Moscow that contains information of enormous appeal to spies. This is le Carré somewhere near his best. As the FT's wise old reviewer put it: "The sheer detail and

colour of it are magnificent. The excitement of what is happening today in the Soviet Union is never in doubt." Equally, one is never in doubt with Ambition, Julie Burchill's sex'n'shopping romp through the tabloid jungle featuring nakedly ambitious deputy editor Susan Street and victous magnate Tobias Pope (Corgi, £3.99). Wittly well done. Plenty of jokes. Bags of energy. Plus very rough sex, if you think you can handle it, though many would rate it pornographic.

Home Run, by Gerald Seymour (Fontana, £3.99), is another thriller, and not a bad one. Its background is the Middle Rast. Seymour write with panache. "A spy thriller of quality," in the view of Douglas

I am not a fam of Jack Higgins, but A Season In Hell (Pan, 23.99), in which American socialite Sarah Talbot signs up ex-SAS sergeant Sean Egan to avenge the killing of her stepson, is better value than heftier thrillers like the Ludlum or Clancy. Verdict: the le Carré, the Burchill, the



Seymour and the Higgins are reasonable buys. Week in and week out, there are enough good reviewers reviewing enough good books to make your holiday selection easy and enjoyable, but it is madness to leave your buying until you reach Heath-row, Gatwick or Krasnoperekopsk.

# The lion rampant who lost his way

ASLY ON the morning of July 22 1846, a widely known but improvident and debtridden British artist wrote the wife he adored a pathetic farewell letter. "God bless thee, dearest love," he concluded and, having begged her pardon for the final suffering that he was now about to cause her. first unsuccessfully attempted to shoot himself, then hideously cut his throat.

He had staged the scene with some care - Benjamin Robert Haydon had a naturally histrionic character, and behind him he placed not only a manuscript recording his "Last Thoughts" and one of his own huge unfinished canvases but an open copy of the New Testament and the closing volume of the diary he had kept since

These journals, now carefully re-edited and annotated by John Jolliffe, have had many previous readers and admirers; they remain one of the most dramatic and revealing self-portraits yet published in the English language, while at the same time they provide vivid impressions of the Romantic Age through which he lived. Among his associates were the young Keats, Wordsworth and William Hazlitt. and he was no less well-acquainted with many distinguished social and political figures of the early 19th century.

But his most absorbing subtect was invariably himself, his hopes and fears and aspirations and, above all else, his unending disappointments. Mr Coutts, the kindly banker, had declined to grant him yet another loan. The Duke of Wellington had sternly refused to have his likeness painted. Now his creditors were bammering at the door and he might soon be carried off to the ignominy

of a debtors' jail. Not that Haydon was ever completely discouraged, at least until 1846 when his last remaining financial hopes miscarried. For he had a fund of energy, and once he had embarked on a scheme he became possessed by it. Then he often stuck to his easel "no less than 16 hours a day," and such was his passion for his work that it resembled "the lecherous fury of a lion rushing about the woods unable to find its mate . . . could my strength have lasted. I should

**NEGLECTED GENIUS:** THE DIARIES OF BENJAMIN ROBERT

**HAYDON 1808-46** edited by John Jollisse Hutchinson £19.99, 250 pages

have gone mad." Now and then, it is true, he indulged in less inhuman passions; and we read of his involvement with a "beautiful devil" to whom "everything in Nature proved to be a source of licentious gratification." But, "though my vices," he added, had caused him much pain, "yet they have also given me many a new idea."

From this turbulent confluence of ideas and emotions. however, the pictorial results that emerged were at times decidedly inferior; or so modern critics have decided. Today they are seldom shown in a modern art gallery. Even an ambitious picture called "The Mock Election," coloured by his memories of prison life. that, having pleased George IV, found its way into Buckingham Palace itself, is now hung in a modest chamber, the Equeries' Room, where it is rarely visible on state occa-

No. Haydon, despite the present editor's subtitie, was unfortunately not a man of genius: and his diaries are the self-portrait of a supremely energetic man who believed that creative genius was his birthright, a conviction that he never quite

He seems to have mistaken his path; oddly enough his most genuine talent was for writing. His diaries include some passages of splendid descriptive prose, for example his magnificent picture of a coronation in Westminster Abbey where, on the sovereign's arrival, he heard the concourse of grandees rise to their feet with the sound of "silken thunder." Vivid, too, are his glimpses of famous literary and historical personages - Wellington, Melbourne. Wordsworth, Hazlitt, Shelley, the last seen as a pallid vege-

Later writers have appreciated Haydon's mastery of words. Aldous Huxley, for example, declared that "never was anyone more clearly cut out to be an author." And the first Lord Asquith compared him favourably with Rousseau. I hope that this book will now achieve the popularity it deserves. Haydon's story of his own misfortunes may here and there be repetitious, and his self-esteem is occasionally hard to bear; but he deserves an honoured place in the history of English introspective literature. Haydon was a man whom, once we have made his acquaintance as a character like Pepys and Boswell and other stubbornly self-centred diarists - it proves almost

detestable Christian faith."

impossible to forget. Peter Quennell

was greeted with a

chorus of disapproval

he publication of Time on the Cross in 1974

from professional historians

and many black activists. The

new quantitative methodology,

chometrics, was denounced as

sterile and dehumanising: the

authors' data and statistical

methods were questioned by

economic historians. Profes-

sors Fogel and Engerman were

attacked for their portrait of

the white slave owners in the

anti-bellum South as careful, if

not caring, masters and for

failing to do justice to the mis-

ery, endurance and resistance,

Fifteen years later, with the

publication of Without Consent

or Contract and a reissue of the

earlier book, one suddenly real-

ises how much of what seemed

shocking and inadmissible has

entered the contemporary

canon of American writing.

Few would now dispute the

original arguments put for-

ward by Fogel and Engerman

that, on the eve of the conflict,

the slave economy was profit-

able and likely to endure, or

that the American South was

experiencing a major boom and

in the South would have died a

natural death without war. had

already been discounted, but

few historians were ready to

accept the still-debated propo-

sition that slave farming

organised along assembly-line

principles was more efficient

than free farming and that

slaves, whether field hands or

in technical and supervisory

positions, were more produc-

sions, defended and expanded

with a mass of new data, are

presented in an accessible.

non-technical and readable

form for the generalist in the

first half of Without Consent or

Contract: the more numerate

reader can consult the three

companion volumes with their

many statistical tables and

detailed explanations of the

increasingly sophisticated

quantitative techniques used.

The new evidence addresses

old questions and raises new

These provocative conclu-

tive than free labour.

The older view, that slavery

a period of rapid growth.

of the slave population.



Sympathetic or inturiated: whichever the response to Fry, Bell, Woolf and company, the Bloomsbury Group continues to tascinate. Gil-Han Navior's compilation allows its members to explain themselves through more than 300 colour plates and accompanying writings. Conclusions are left to the reader, who can browse through the paintings, correspondence and criticism of the protagonists, artiess or self-serving, always self-revealing, this 1958 self-portrait by Vanessa Bell among them. Bioomsbury: the artists, authors and design-

ers by themselves (Pyramid, £35, 328 pp.) is

organised in seven parts, more or less chronological, with solid banks of plates between. The final brief set of retrospective judgements of Bloomsbury on Itself is as fascinating as any. "The downfall of Bloomsbury," says Leonard Woolf, "was its intolerance of every one and every thing which was not amusing . . . one hesitated to say anything true or profound unless it was also amusing." "To others our narcissism must have been painfully evident," concludes Angelica Garnett.

William Packer

# Inroads East

EWIS CARROLL was always a much better guide to understanding the topsy-turvy nature of the Soviet Empire than Karl Marx. But now that the walls and barriers dividing east and west have fallen away with astonishing speed it helps to have as a guide someone familiar with the old ways, who knew today's presidents, foreign ministers and free marketeers when they were stokers, nigh-

twatchmen and prisoners. Such a guide is now to hand for those curious to learn more about the historical roots, ethnic diversity and cultural complexity of the nations and peoples of Eastern and Central Europe now blinking in the unaccustomed light. William Echikson travelled

widely throughout the region as correspondent for the Christian Science Monitor and Wall Street Journal His book draws heavily on those years, to flesh out, with first hand reporting. the personalities and underlying forces liberated by the collapse of the Soviet will to dominate countries "freed" by the Red Army 45 years ago. The darkness which has

lifted from the ancient lands of East and Central Europe is not just the liberation from foreign occupation. Thousands of Soviet troops and tanks are indeed still physically there, awaiting repatriation. What has been lifted is the climate of lies, the schizophrenia, the suppression of truth, the horror of Orwellian thought control, the triumph of mediocrity. in short the nightmare of a totalitarian system.

The appalling legacy of crippled lives, bankrupt economies, polluted environments, remains to be painfully repaired. But it is difficult, on reading this book, not to feel admiration for those who kept their humanity, their dignity and their faith intact in the face of enormous pressure to conform. Some of the most determined dissidents, like Czechoslovakia's Vaclay Havel. have been rewarded by high

office. They bring with them a moral capital which will be sorely needed in the difficult

times ahead. Typically, Echikson writes, one of Havel's first acts as President was to apologise to the Sudeten Germans who were expelled after 1945. The Sudetens' willingness to act as a German Trojan Horse in 1938 led to the occupation of the whole country. But as philosopher Jan

Patocka, one of the founder members of the Charter 77 civil rights movement and a Havel adviser, argued, the post-war expulsions represented "the first act of totalitarianism in

LIGHTING THE NIGHT by William Echikson Sidgwick & Jackson £16.95, 295

the country." By endorsing collective guilt the enforced exodus broke with the humanist principle on which the first Czechoslovak republic was founded and "morally disarmed the country."

This is one of many exam-

ples of the way peoples and nations were corrupted, cajoled as well as forced, into accepting the communist model. But with the rise of Solidarity in Poland in 1980 the lonely, inner resistance of individuals was flanked by the first successful mass defiance. The construction of alternative structures to the totalitarian model

began in earnest. The Soviet leadership always knew that the Poles, with their historical contempt for Russian backwardness, their catholic piety and national pride, would be the most difficult nation to keep within the Soviet fold. Communist power simply collapsed after the first real elec-

tions. It was the first domino. The rest is history. The details are all in this excellent panoramic sweep through the other half of Europe.

Anthony Robinson ones. Further light is cast on

# Slavery seen through wiser eyes

the development of the northern as well as the southern economy and on the comparative efficiency of slave and free labour, in factories and on the land. The outlines of Fogel's original conception are preserved but the canvas is broader and the story richer.

Equally contentious were the original Fogel-Engerman arguments that adult slaves were generally well-fed, clothed and housed and were able to develop much stronger family ties with a more distinct culture than either the abolitionists of the day or subsequent generations of historians have believed. The new cliometric evidence on dist health and demography strengthens Professor Fogel's case, especially when placed within a comparative framework that includes Caribbean and South American slave societies as well as the

American South. The higher fertility rates of American slavery and the longer life expectancy of adult American slaves seem undoubtedly attributable to better treatment by southern slave owners. The cliometricians claim that American fertility rates were high not because masters manipulated the sex lives of their slaves but because they housed them in family cabins rather than barracks. The material in these pages is ripe for further debate and controversy. This time, think, scholarly opinion will move in Professor Fogel's

direction. Without Consent or Contract is a defence and elaboration of Professor Fogel's earlier work, less strident in tone and with a more nuanced approach to the evidence being collected during this on-going project. The final WITHOUT CONSENT OR CONTRACT by Robert William Fogel

W W Norton £17.95, 539 pages

TIME ON THE CROSS by Robert William Fogel and Stanley L Engerman W W Norton £11.95, 306 pp.

verdict on his revolutionary contribution to our understanding of the anti-bellum South will depend on the accuracy of the chometric data and the techniques used for its processing and analysis.

The second half of Fogel's book is differently focused and represents a retreat from his previously exclusive preoccupation with economic issues. In this respect, Fogel has listened to his critics, rethought his premises and come to new conclusions. It is rare for embattled historians so to change course. Professional courage is

not high in our trade. In his new attempt to centre the economic arguments within the wider political and ideological framework, Fogel focuses on the rise of the abolitionist movement in Britain and the United States. He traces the process by which the anti slavery views of a small group of religious fanatics. whose ideas were rejected by their own churches, evolved into a powerful political force embodied in a barely cohesive political party whose candidate. Abraham Lincoln, cap-

tured the presidency. It is Fogel's contention that the politicisation of the abolitionist cause took place in the

mid-1850s when the religious arguments against slavery were broadened and secularised. The divisions between North and South were now portrayed as a struggle of free men and free labour against the political and economic conspiracies of a Slave Power intent on colonising the new territories with slaves. The religious arguments were not abandoned but overshadowed as the politicians took com-

There is much here that is familiar but there are also arguments that will provoke dissent on both sides of the Atlantic. Fogel's treatment of the roots of political reform in Britain in 1832 illustrates the problems of the comparative approach, however much is gained from looking at the English religious sources of the anti-slavery movement. In his description of the transition of American abolitionism from "Christian duty" to the "pocket book," he ascribes a hitherto ignored critical role to the hidden depression of the 1850s and the consequent rise of an artisan nativism that destroyed the old party system.

In what seems to me a sad. because necessary, "Afterword," Professor Fogel answers charges that his description of the slave economy is amoral. It says much about the present climate of opinion in the US that he should have to underline the distinction between describing the slave system as efficient and judging its morality. It is even more worrying that he should feel that the most serious deficiency in Time on the Cross was its failure to provide a new moral indictment of slavery consistent with his empirical findings Should historians have to defend themselves at this level of argument? Fortunately for the reader, Fogel's concerns have proved productive and have led to this innovative reconsideration of abolitionism, Professor Fogel has grown older and wiser. One should not complain.

Zara Steiner

# Fiction in Translation Standards of living

Chesterfield settees and Churches' shoes: in Russia it's fur hats; in East Berlin it's well, anything from the West. This is a rich week for foreign fiction. With two works set in Eastern Europe in the bad old days and one in Paris in the good old days, all are on the verge of becoming period pieces, but Things, first published in 1965, arrives with the

gloss of a modern classic already encrusted on its pages. Georges Perec's first novel is a masterpiece of elegiac mockery. Its subject is a young Parisian couple, Jerome and Sylvie, and the milieu in which they circulate in the early 1960s; its method Perec calls the sociologie du quotidien. We learn everything about Jerome and Sylvie - and they define themselves - by the minute details of their immediate habitat: their cramped apartment in the Rue de Quatrefages with its one red-curtained and one green-curtained window, the Provencal furniture and Van Heusen shirts they aspire to: the newspapers they read and the bars they frequent with their market research friends. It's the perfect capitalist flction. Press your nose against the ill-lit window, make out the reddish glow of a leather sofa, the curve of a cane-seated chair; join the search for the elusive style item - never ming blot of character of

And yet. Below the surface. memory and longing, joy and frustration, are mixed in with the haphazard sets of crockery and the bad cooking at those first jubilant dinner parties. Then, imperceptibly, the age of rootless living gives way to the age of security as the early 20s give way to the nearly 30s. I know of no other novel that captures this subtle movement with such unfaltering convic-

Perec's lucid, bitter-sweet denunciation of life as "a passion for a higher standard of living" is partnered by another moral tale, A Man Asleep. which deals with what happens if you choose to opt out. The nameless hero, addressed as "you," divests himself of material wealth, work, friends, in fact of any reason for living. What is left to him is to conquer his ennui by killing time; what is left for the reader is one long miserable howl. This is Perec's literary dazzle turned to theoretical seed: experimentation, clearly, can work both ways. But fans of Life: A User's Manual will enjoy tracing its origins in these two works.

Vladimir Voinovich writes in a more familiar vein. Russian satire mostly sneaks out from under Gogol's Overcoat, and none more delightfully than The Fur Hat, with its sly reworking of Gogol's chief prop into a waspish burlesque on petty officialdom.

Yefim Rakhlin writes adventure stories about fearless and decent people, has a reasonable readership - Avalanche, Oiler and the rest even get to be crossword clues in Pravda and has fantasies about being as good as Chekhov. But the Writers' Union doesn't agree, and when it announces the Awarding of Hats - reindeer fawn for the foremost writers, muskrat for the leading, marmot for the outstanding -Yefim emerges with an order for tomcat, domestic, fluffy. Jewish, with an overbearing wife who calls him Baldy - no wonder he wants a hat -Yefim is a kind of Russian Woody Allen: one of life's losers whose vulnerability and attraction are that he wants so desperately to be loved and respected.

Of course his problem is not the hat but the head that wears it, and the showpiece of this hugely funny, hugely sad

THINGS: A STORY OF THE SIXTIES and A MAN ASLEEP by Georges Perec Collins Harvill £12.95, 221 pages

THE FUR HAT by Vladimir Voinovich Cape £11.95, 122 pages

THE DISTANT LOVER by Christoph Hein Picador £11.95, 179 pages

book is Yefim's descent into an obsession the worse because he knows it is ridiculous, and yet cannot help himself. He makes you laugh as he makes you cry; he makes you ache for a more generous world; he makes you wonder at the vagaries of fortune - or is it the Russian bureaucracy? - which keep this novel churning and twisting like a rollercoaster out

of control. Tower blocks so uniform that they resemble a troop of advancing dominoes; slipshod goods in the shops; poverty; professional cynicism: Christoph Hein's props efficiently confirm all our prejudices about Eastern Europe. Nonetheless. The Distant Lover is more a study of emotional iso-

lation than a political novel. Claudia is a successful doctor who carries the surgical light of rationalism on into the heart of her personal life. She moves among her family, friends, colleagues in the East Berlin hospital, like a disinfected spirit; ruthlessly courteous, jealously guarding the unruffled tedium of her days. Will Henry, the "distant" lover in the apartment upstairs, be able to melt the icy facade? Hein, in noiseless, fastidious prose that is as chilling as his heroine, keeps you guessing to the last. An unusual, unloyely achievement.

Jackie Wullschlager

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FINANCIAL TIMES

THE NATIONAL Gallery's Sainsbury Wing is almost complete. Like some Eastern bride, it is being slowly and lovingly arrayed for a spring unveiling. When the long-anticipated day will be, Neil Mac-Gregor, the National Gallery's director, is not saying. But he promises that we can anticipate entering as proud owners into "the most beautiful of all postwar museum spaces." For MacGregor and Lord

Rothschild, chalrman of the trustees, there is a lot to think about, and not just the new wing, the total rehang of the collection, and a continuing renovation programme for dreadfully shabby rooms. Britain's public collections sail on choppy waters. Many are leaking badly. If you survey the Gallery's boarded-up vestibule and a front hall where the languid youth of many nations lies flaked out among the postcards, you might think the same was true of the Trafalgar Square flagship. But no, the mood in the director's study is buoyant and, looking towards Whitehall, a touch defiant. Although many of the gal-

leries look unappealing, such is the state of summer sweatiness and disarray, MacGregor urges that the public keep faith ahead of good things coming its way next spring. "The hang will be much better," he promises. Sensibly, the details of the rehang are being kept secret, but the broad principle is a walk down the centuries. The Sainsbury Wing will house pre-1500 works, the old building post-1500; how to straddle the "vital hinge" is a matter for secret debate. National schools formerly kept at a distance are now to become close bedfellows. And if you want to partake of one current curatorial debate, stroll through the early Italian rooms and judge for yourself whether paler or

warmer greys look best. The look of the thing will attract the most comment, no doubt bringing brickbats tumbling around MacGregor's ears. However, he and Lord Rothschild stress less eye-catching improvements which fit the aim of "increased public access." There will be larger lecture-rooms, an improved shop and restaurant, and touch-screen computer access to information about the paintings. "The new wing will bring in a huge extra number of people," predicts MacGregor, a thought not everyone will rel-

How does a place like the National Gallery prove it is doing its job, and what are the "performance indicators"? This is the question being asked at the Government's behest by management consultants from Coopers and Lybrand, commissioned to produce a study of the National Gallery, the Science Museum and the troubled Natural History Museum. MacGregor is bemused by

the notion. In his eyes, the performance indicators are that last year the National Gallery drew 3.35m visitors, two new catalogues of the collection were produced, and that his six curators and conservators prefer their "absurdly low" UK salaries to plums dangling across the Atlantic. Four years into his director-

ship, MacGregor's philosophy is that a great gallery should be able to raise a packet from sponsors, attract new visitors from every type of background, yet not stoop to "vulgar gimmickry." The unexpected success of recent "extremely specialist and scholarly" exhibitions has reassured him that between the scholar-aesthete and the fabled person on the Clapham omnibus, the gap is not so wide. Two "Art in the Making" shows, on Rembrandt and last year on "Italian painting before 1400." did well. The minutiae of mordant gilding and what Duccio's Virgin wears under her blue robe brought in 150,000 people and allowed the Gallery's conservators to take a bow. In its all too brief month, the enthralling exhibition of Goya's Majas attracted 217,000 people and yet, MacGregor points out, its genesis was an article in the erudite pages of The Burlington Magazine.

What about the spectre of admission charges? "Our pictures [over 2,000] belong to the public, who we see as owners,

Patricia Morison previews the new wing of the National Gallery

not as clients," says MacGregor. He points out that men like the aristocratic Prime Minister Lord Liverpool, anchored their support for the gallery's creation in 1823 on the principle of free access for all, rich and poor. "It was stuffy Lord Liverpool who insisted children be allowed in, on the principle that where the child goes. so will the parent."

Comments about the effluvia of unwashed members of the public with their sandwiches did not deter the Government from its support for free access for all. However, temporary exhibitions, which will be more frequent after the Sainsbury Wing opens, are not going to be free. Visitors will have to pay for what Lord Rothschild hails as "the exhibition of the decade, and perhaps the most important Old Master show of our lifetimes," the massive Rembrandt show announced

for 1992. A survey of National Gallery visitors taken at Easter showed that over 50 per cent of them stayed for less than half an hour. MacGregor is delighted that the average visitor simply drops in for a quick fix of an



Old Master and then, the survey shows, comes back for more. "In the Louvre, it takes

lery is the perfect size." Perfect size and, in principle, perfect location, for the Victorian founders insisted the gallery had to be at London's hub. even though it was surrounded by brothels, workhouses, and the chimneys of public washhouses. "It gave us the dirtiest pictures in the world," comments MacGregor who is less tolerant of the appearance of Trafalgar Square in 1990. Tourist double-decker buses parked outside the gallery abolish the view across the square, and the pavement is cracked and strewn with fast-food detritus. (Before the Sainsbury Wing opens, why should the strip of trampled turf not be fenced off.

or preferably paved over to

you half an hour just to get

from the door to where you

want to be. The National Gal-

spare visitors a prospect of festering baked potato boxes?) MacGregor has had a fabulously lucky six months for finding new paintings for his redecorated walls. In May, the news was announced that the dazzling Berggruen collection of 72 superb Impressionist and post-Impressionist masterpieces, will be put on loan for five years. The Kenneth and Helen Levy bequest has bought the gallery five good impressionists and the Acceptancein-lieu scheme has added a Cézanne and 17th century view of Amsterdam by Jan van der Heyden. Purchases look modest, a Carlo Dolci and an attractive Biedermeier cityscape by Eduard Gaertener. In contrast, Jacques Lang,

the French Minister for Culture, recently announced the purchase of Les Cousines, by Watteau, for the Louvre, costing Fir 30m (£3m). MacGregor can only sigh, with an annual purchase grant frozen at £2.75m. When the National Gallery does buy boldly, the consequences are grave. Last year, the cost of the wonderful River Landscape, by Cuyp, ate up three years of purchase grant. "We had more buying power 10 years ago. Take one example, This country is weak on German painting and we ought to have got the two Cranach por-

Nell MacGregor(left) and Lord Rothschild on home ground traits sold last week at Christie's for a hammer price of

> Another wound for which MacGregor blames Whitehall is the inadequacy of a grant-in-aid of £5m. In April 1988, the National Gallery took over running its own building in place of the execrated Property Services Agency. With "cachet" in the right circles, the gallery has been able to mount a hugely successful fund raising drive. Lord Rothschild is quietly triumphant. "I understand that we have raised more money than all the other London museums put together - without disrupting staff or turning galleries into party venues." As the pool shrinks, the hunt

for sponsors requires charm and stamina, although Rothschild-MacGregor is proving a remarkably attractive duo. Annual running costs for the gallery are £15m. The building programme will cost £12m this year, and yet the Government's contribution is only £5m. Privileged though his position is, MacGregor is conscious of the shared difficulty. "All museums and galleries know the money needed for buildings should be doubled, and then kept up to fund the kind of 10-year building programmes we all need." The National Galery is run on a shoe-string. There are only 330 staff, threequarters of them warders, and the cost to the taxpayer per visitor has stayed at £1.56 Lord Rothschild is surely right to claim that "the Government gets an unbelievably good deal" from its premier art collection. In the National Gallery's first catalogue of 1824, the essayist, William Hazlitt, wrote that free admission to such a collection was "a cure for low-thoughted cares and uneasy passions."

Not perhaps a "performance indicator," but Hazlitt had seized on the indefinable and unquantifiable, beyond the reach of management consultants' surveys. The opening of the Sainsbury Wing will be the moment for the Government to ask whether we are not getting our National Gallery too much on the cheap.

# Mellor moves in

Antony Thorncroft talks to the new Arts Minister

"I made it a condition when I visited Czechoslovakia that I should be allowed to go to Brno and look through Janaček's musical manuscripts."

HIS IS an unusual line from any Government Minister but coming from the Minister for the Arts it is mind-boggling. Only three days into his new job and David Mellor is creating waves of gale force 10.

His predecessor, Richard Luce, made a very different impact when he walked into the Office of Arts and Libraries five years ago. He admitted diffidently that he really knew very little about the arts. He left the office on Tuesday with the staff moist-eyed and the arts world united in its apprecia-tion of a successful stewardship. He still might not know that much about the arts but he listened, learned, protected (and managed to improve) the financial base of the arts against Treasury philistinism, and pushed through structural reforms of considerable imagination. He could have stayed on, but his stint, the longest in the history of the post, was becoming stale. David Mellor is a very different character. He is a young, 41-year-old politician on

the move. He has been a Minister for nine years and sees the arts as a modest promotion. It enables him to run a Ministry, and one with a profile much greater than its budget. But he has a problem. There is not much for him to do - at least in the relatively short period before the General Election which, win or lose, is likely to mark his departure from the post. For a men who enjoys ticking off his reforms - he was behind legislation on drug abuse, on animal experimentation. and is currently pushing through Parlia-

ment a more liberal Broadcasting Bill than

was first mooted - the arts offer few obvious campaign medals.

There is the constant wrangling about money, and his first task will be to go into battle with the Treasury to squeeze more subsidy for the arts, not only because inflation has made the planned three three per cent annual increases ludicrous, but because years of relative underfunding have left two flagship companies - the Royal Opera House and the RSC - with joint debts of around £5m. Although he accepts the case for Government funding. and will fight his corner hard, reputations

are not won in this area - only lost. In terms of the structure of the arts Richard Luce got in first with his scheme for letting regional arts boards spoon out the subsidy, leaving the Arts Council with a strategic, supervisory, role. The new chairman of the Council, Peter Palumbo, is as energetic as the Minister, and now has a secretary general, Anthony Everitt, who is enthusiastically committed to the policy. So the arts has three articulate, bustling, imaginative, supremos, in danger of falling over each other as they campaign around the country. But Mellor does not hide the fact that he

is top of the heap. He has no plans to be a cultural Czar but fully intends to let his opinions be known. He has a considerable knowledge of music, "all the composers from Mozart to Shostakovich down to the second and third divisions", and lectures to music societies. (He is vice president of his local one at Putney). He was involved, until this week's appointment, with the London Philharmonic Trust and knows intimately the financial problems of the LPO - which it mainly solves (up to 85 per cent of its income) through its own efforts in attracting large audiences and

appealing to sponsors. He loves Glynde-bourne but is a trenchant critic of some of its productions, rating this year's Magic Flute a disaster.

It will be a shock for the arts world to have a Minister who will enjoy spending the next six months penetrating every nook and cranny and then surfacing with strong opinions. He intends to make his mark, although the actual areas of innovation will await his return from an August

holiday and immersion in the paper work. It is unlikely, however, that he will seek to bring broadcasting within the remit of the Arts Minister — he is against anything that smells of a Ministry of Culture. A better candidate for his attention is the controversy over the export of works of art. This is notionally in the power of the Department of Trade and Industry and a recent Minister there, Nicholas Ridley, caused seizures in the heritage world by introducing changes which give rich indi-viduals equal powers as museums in the fight to retain artistic treasures in the UK. Switching authority in this contentious area to the Arts would be a welcome safeguard

The Prime Minister has obviously raised the status of the arts in the run up to the General Election. She has appointed a strong, clever, ambitious, opinionated and very active politician to ginger-up the field. Traditionally arts ministers with an interest in the subject - Lord Gowrle, Lord Fawlsey - got into spats with the arts establishment; more diplomatic men - Paul Channon, Richard Luce - seemed to achieve more. With David Mellor the opinionated, complacent, inward-looking. part of the arts world has been presented with a dose of salts. The results will be lively; they could also be creative.

# History, warts and all

the Avant Garde

stones. As a whole, the most

promising sculpture here is the

most depressing. Any sculptor

who was not part of the Read

mafia was obliged to accept a

fate of taking on the dreariest

of Establishment commissions

and in turn producing the

It would be far fetched to

entrenched conservative Aca-

demicians (and there were

plenty) to fail to notice or wel-

come every single man of

exceptional talent. (Women

were refused admittance until

1928. As was pointed out at the

time, who would take them in

to dinner?) Masters may be

thin on the ground here, and

masterpieces still more so, but

Leavening the interesting.

the mediocre, the dreadful and

the hootingly funny, are such

gems as Sargent's ravishing

and Henry Jamesian "Interior"

in Venice," and Orpen's icon of

"Le Chef de l'Hotel Chatham.

Paris," standing somewhere

they exist nonetheless.

dreariest of public statuary.

expect even the

TITH THE wisdom of hindsight, it is all too easy to recognise which artists were the greatest of their respective ages, and the history of art tends to involve leaping from one of these peaks to the next. A quite different history emerges if one focuses instead on the sequence of artists whom each generation most revered. It is a sobering thought for any pundit that GF Watts, "England's Michelangelo," was one of the most lionised painters of the 19th century.

This alternative tale, as told through the art academies of Europe, makes for rivetting viewing; and not simply because the casualties of history exercise the same kind of ghoulish compulsion as wreckage by the roadside. The Royal Academy of Arts in London has done that most uncomfortable thing and resuscitated the skeletons of its recent past not without reservations from present Academicians.

For "The Edwardians and After: The Royal Academy 1900-1950," Lawrence Gowing descended into the bowels of Burlington House to sift through scores of grimy canvases and sculpture that constitute the Diploma Works given by artists on their election to the Academy. After a tour of the US, the selected works, conserved courtesy of sponsors IBM, now return home, and will be in the Fine Rooms until October 21. What is immediately striking

is the eclecticism of the gathering. The "dilemma of style." voiced the previous century. rages on. Defined "schools" are few, and some eccentricities of composition and subject -Stanley Spencer's dustbin, for one - defy classification. In one corner of the Revn-

Records



"Pauline Waiting," by Sir Herbert James Gunn

olds Room alone we find vestigial Pre-Raphaelitism in 1923. Dicksee's rose-tinted, titillating High Classicism, Art Nouveau in the form of Sir George Fampton's ivory and bronze bust of Keats's Lamia, and Wallace's finely detailed marble Egyptian necromancer. Half the exhibits on show have one foot in the 19th century. The other foot is across the Channel in France. If any artist's work is over-

due for reappraisal it is that of the sculptors (after the progression from Gilbert pastiche. that is). The vigour and quality of British sculpture between the wars was first highlighted in a remarkable exhibition at The Fine Art Society in 1986, and its catalogue essay by Benedict Read remains the most valuable introduction to the

Benedict Read's father, Herbert, had been responsible for the near total eclipse of these luminaries by his zealous

delicious Colette Alliot-Lugaz

in three minor roles, show a

proper elegance and poise of

style, and the choral contribu-

tions of The Sixteen are excel-

Henry VIII. Portraits fill the championing of Henry Moore largest gallery, the most poland Barbara Hepworth (neither ished among the more compelof whom became Academicians). Never before, perhaps, has the place of the Modern

Sickert's "Santa Maria della-Salute\* is almost nerversely been so effectively usurped by modest for an artist who was It is intriguing to find Gilto exercise so great an influence on British painting. The bert Ledward's massive "Earth Rests; Reclining Figure" two Stanley Spencers only hint at his idiosyncratic greatness, carved in Roman stone in 1930. One surprise is that a porand to remember that Moore traitist of such consummate was his studio assistant in the toadving as Sir Gerald Kelly. late 20s. Ledward, who produced one of the greatest of should have enjoyed such a dissolute existence in Bohe-London's war memorials — for mian Paris, and been responsithe Guards in St James's Park ble, through Clive Bell, for was an advocate of direct Roger Fry's fateful introduccarving, and for exploiting the particular quality of individual

tion to Post Impressionism. Diploma works reflect how the artist wished to be perceived and remembered - and how he or she wished the work to be framed. In contrast to Victorian Academic painting. canvases tend to be on a far smaller scale. That it transpires, is not so much to the with a desire for intimacy, or the decreasing size of the picture-buying public's houses. A letter from the Council to the Boston-born, Paris-trained Mark Fisher on his election in 1919 rejects the offered Diploma work, and asks for a smaller canvas. Space was tight in the Diploma Galleries. This extraordinary show, more interesting than inspiring, illustrates that modern British Establishment art is not quite as fusty, or insular. as one might have supposed. Visitors to it may like to take in the current Summer Exhibi-

tion, now in its 222nd year, and

make their own comparison

with Academic painting today.

Susan Moore

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The flavour of the French rato's new Musifrance

rato's new Musifrance series - published with the collaboration of Radio France "pour la musique française" - is providing many of the highlights of the 1990 record year. The first release, containing rarities and necessary fillings-in of holes in the French-music catalogue, has already been touched on in the record-reviewing activities of this page: David Murray has taken pleasure in the Pierné and Roussel issues, and Ronald Crichton in the magnificent first complete recording of Gluck's Iphigénie en Aulide and the enticing recital of lesser-known operatic airs by

Francoise Pollet. Opera forms a substantial part of the Musifrance catalogue. I shall save mention of the new version of Meyerbeer's Les Huguenots to a future review: it is the most sizeable opera-offering of the collection, and merits fuller discussion. Meanwhile, a brief sampling of other goodies. Le Roi d'Ys is one of the most durable and exciting operas of the second rank - a late-ish (1888) Grand Opera large in scale but compressed in length and (except for a brief excursion into religiose bokum) dramatic skill, a Breton legend conceived in the manner of a Gallic Lohengrin. This is not, in fact, its first full-length account on records (French EMI's of 1957, with

Rita Gorr. Janine Micheau, and

Henri Legay, is prized by all

French opera-fanatics - when

can we hope for its re-publica-

والمراز والمراز والمستحدد والمراز والمستحدد والمستحدد والمستحد والمستحدد المستحدد والم

Lalo: Le Roi d'Ys. Barbara Hendricks, Delores Ziegler, Eduardo Villa, Marcel Vanaud, Jean-Philippe Courtis etc./Radio France choirs and Phil. Orch./Armin Jordan. Erato Musifrance 2292-45015-2 (two

Campra: Tancrède. François Le Roux, Daphne Evangelatos. Catherine Dubosc, Colette Alliot-Lugaz, Pierre-Yves Le Maigat, Gregory Reinhart etc./ The Sixteen, La Grande Ecurie/ Jean-Claude Malgoire. Erato Musifrance 2292-45001-2 (two

Charpentier: music from Le Malade imaginaire. Isabelle Poulenard, Jill Feldman, Guillemette Laurens, Gilles Ragon, Michel Verschaeve etc./ Les Musiciens du Louvre/Marc Minkowski. Erato Musifrance 2292-45002-2 (one CD)

tion on CD?). But it is the only one currently available and. therefore, worth acquiring on the grounds that even a disappointingly sluggish Roi d'Ys is better than none at all. Armin Jordan, who in recent

years has conducted grandly glowing gramophone performances of Ariane et Barbebleue and Chausson's Le Roi Arthus, misses much of the score's Breton-accented distinctness of colour and rhythmic verve: a feeling of routine hangs heavy on page after page of score. And the singing is workaday - mediocre in smaller roles and in its choice of leading tenor, icing-sugary

....

in its heroine (Hendricks), and only coming anywhere near "the real thing" in its mezzo-soprano villainess (Delores Ziegler). Campra's Tancrède (1721) is,

lently bright and pointed. by contrast, a fully-fledged An even more individual gramophone rarity, and a musical "flavour" can be delight to discover. The comappreciated and enjoyed in the poser forms the link between music (mythological prologue Lully and Rameau, as anyone and three intermezzos) that who has sampled the trage-Marc-Antoine Charpentier dies-lyriques of either of those wrote for Molière's play (the milestone masters will be able playwright died after taking to recognise. There is a quality part in its fourth performance). of musikantisch flow to his This is, surprisingly, more invention generally missing remarkable in the prologue from Lully: simply memorable whose requisite formulas of tunes, captivating rhythmic royal flattery ("Your desires energy, declamation always are met, Louis is returned. He saved from stimess by unfailrestores to this place gaiety ingly apt writing for voices and love") might tampt a lesser (with here an unusual and, for composer to tread water the time, daring concentration than in the uproarious antion lower-range voices). And if medical satire of the third the later genius's art of finding intermezzo. dramatic exhilaration in strokes of colour is never suggested, none of Rameau's stage-works manages the concise story-telling of Tancrède.

The performance was taken

live at the 1986 Aix-en-Prov-

native sons), with only a few -

perfectly tolerable - floor-

thumps and bursts of applause

to betray that fact. It is by no

means the most polished of

"authentic" excursions into

18th-century French opera, but

at least three of its singers, Le

Roux as the baritone hero.

Daphne Evagelatos (a bit hooty

at first, very moving later on)

as the mezzo Clorinda, and the

Everywhere Charpentier's music has an infectious buoyancy and sparkle, a high-profile theatricality, well caught by Erato's period orchestra and fine collection of singers. But be warned; there are sizeable ence Festival (Campra is one of chunks of spoken text delivthat city's most illustrious ered in a variety of funny voices" that could prove horribly unamusing with repetition. And Erato need to take a hard look at their standards of booklet editing. These three are riddled with misprints, inept translations, ill-considered layout; small chunks of the Tancrède text have gone missing.

Max Loppert

# between Manet and Holbein's

BRITISH & VICTORIAN PAINTINGS



Abraham Cooper, R.A., "The first of October", oil on canoas, 18" x 24"

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Claire Armitstead on the new wave under the Big Top - Cirque du Soleil and Archaos

IKE IT or losthe it, most people will find it hard this summer to ignore the fact that the circus has come to town. The Subilee Garden on London's South eat Big Top that houses Canada's con-ribution, Montreal's giamorous Cirque K from Tuesday to August 36.

A week later, France's fabled chainaw circus, Archaos, rolls up in Edin-urgh for its second consecutive festial. This is not the traditional circus of retty routines on prettier ponies, but ts enfant terrible, wired up and plugged n to a technological age that this year equires a crane and an eight-piece rock and roll band.

Archeos arrived in Britain this sum-ner in a characteristic flurry of publicty, culminating in the Bristol City Council benning it from the city - a lecision it is characteristically defying by hunting around for a private sale which to set up camp. Archaos proudly points out that it will take pride of place at the opening ceremony for next place at the opening ceremony for next winter Olympics in France: a year's winter Olympics in makes the ministerial initiative which makes the Bristol look good burgomasters of Bristol look pretty perochial.

So what, for those who do not know, is this New Age of the circus? Pierrot Pillot-Bidon, founder-manager of Archaos, who these days saves his 20 3 F A POL 197

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the little with the

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Carlo Rese tend to:

to transfit to

stage appearances for an occasional finale, will assure you over his juggler's kit of Gitanes and whisky that his troupe is a direct descendant of the first modern circusts, actually founded on the South Bark in about 1769 by an English cavally officer turned trick rider, one Sergent Major Philip Astley. He discovered that the centrifugal forces of a rint 42ft in diameter could keep a man uright on the rump of a cantering hors.

The nature and shape of the Big Top was the directresult of that discovery, as, less directly, was Bidon's own mechanised minagerie. The motorcycle, he explains, is nerely doing today what the horse did h the past. This therefore puts his cran into the elephant category. Real armals are out of favour these days, except for comically untrained dorestic ones, or, in the case of Britain's om Ra-Ra Zoo, touring the country with he show Fabulous Beasts. giant puppetsmanquerading as the real

What Bidor Ra-Ra Zoo and Sgt Major Astley undoutedly share is a command of spectacle, pupled with a willingness to push the bundaries of performance ever farther forward. Danger, comedy and illusion are used to make often satirical poiss about art, life and society. Circus 2, an Australian troupe flown in bythe London International Festival of heatre (LIFT) three years

ago, is a good example of this: it made a typically simple but effective joke about its national identity out of an upside down tightrope walker.

The inclusion of New Circus in a theatre festival programme makes an interesting point about its identity. No-one who saw Victoire Chaplin and Jean-Baptiste Thierrey's exquisitely whimsical Cirque Imaginaire could deny its theatricality, or its ability to establish and develop theatrical thomes and images. (It honoured a conventional theatre, the Mermaid, with its last British visit.)

For Rose Fenton, co-founder of LIFT. the appeal of New Circus lies in its combination of daring, anarchy and spectacle with a certain poetic intensity and a firm root in popular culture. Film noir is a recurrent reference point, as is the excitement of the televised car chase or the cliff-hanger ending to an episode. "It plugs in immediately with youth and television culture: it's very fast-moving and doesn't demand a concentration span of more than a few minutes, because it's always moving on," she says.

As such, it ties in with developments in the theatre itself: the flerce post-industrialism of Barcelona's Fura Dels Baus, demolishers of warehouses and audiences alike, or the baroque imaginations of Royal de Luxe, seen this month at Avignon in a history of

France involving a history book with eight-ton pop-up pages, winched over by crane, and a full-sized hot air balloon. Fundamental to New Circus is the cultivation of ever more awe-inspiring skills - whether discovered, as many of Archaos' members are, on the trottoirs of Paris, or acquired through more conventional training. And although Archaos and the Cirque du Soleil vie furiously for the tag of biggest and best the scale does not have to be grand as is proved by Reg Bolton, one of

England's own New Circus pundits,

whose own brand comes suitcase-sized. In general, however, Britain lags far behind Europe and the Americas dragged down by the same forces that drove Bertram Mills out of the country years ago - lack of money and an absence of the sort of official recognition that founds and finances circus schools. Also there's the sort of prosaic response that made Bristol ban Archaos for being just a little too anarchic, despite its attempts to pre-empt its critics. In Europe, for instance, the crane was used to swing a performer around within feet of the audience: a thrilling finale which has been abandoned for its British performances (Glasgow next week, Edinburgh August 11 to September 2, London September 29 to November 11). Safety officers here will no doubt sleep more soundly, but how much less vivid will be their dreams?





A Cirque du Soleti juggier; right — Phillipe Rey, the (toy) chainsaw juggier with Archaos



## A king and his took Brian Cox (left) and Dad Bradley brave the elements

# Exposed to its elements

un-English play Lear is. If the ditherings of an introspective prince with an assumed streak of eccentricity are right up the traditional British actor's street, a senile old man bellowing at the elements as he glimpses the abyss in a jungle-world is such a challenge that criticism perhaps inevitably falls back on assessment of the actor's physical prowess in the role.

Particularly in a production by Deborah Warner. The legacy of her early and much acclaimed work with the lowbudget touring company Kick Theatre (where she directed her first Lear) is a vigorous full-frontal attack.

Her Titus Andronicus for the RSC two seasons ago underlined that blood and thunder's affinity with the greater tragedy. It would be glib to say that she has now turned Lear into a blood and thunder for the National Theatre (she hasn't); but the bang-bang style deprives at least one characterisation of all subtlety. as Hakeem Hae-Kazeem is forced to blurt out Edmund's railings at an undifferentiated level of angry ferocity that leaves little room for anything

Like the previous night's

went for \$81m in May.

TINCENT van Gogh has

There was BBC Television

hardly been out of the

news since his Gachet

ton, the set (fi Lear. Hildegard Bechtler) tilises space. perhaps with a eye to easy touring (both Lir and Richard have a world-we journey for to go/The Blish Council funds them, the cannot say it no). The stori is excitingly underpinned | onstage percussion, muchif the dialogue underscored bithe throb and roar of Domit Muldowney's music. A solute to the scenic problem of theheltering hovel is provided burning on the house lights; the fugitives move downste, thus drawing the audience to the intimate circle. Ultimely, this is no more successl than the cur-

rent Stratfo strategy of a spinning cull portraying the contrast betten the warmth of belongin and the alien darkness ouide, a contrast that underlies the whole play. A promist start has Lear apportioning is kingdom not at a formal ort ceremony but at a small mily celebration. whisked one his wheelchair blowing a meaker and surrounded biroyals in paper hats. (The stumes span this century, wi a medieval line

The love, spoilt family group - thees of nature to be

to some I the women's

terribly fided - recurs when,

THAT A very Richard III alsat the Lyttel- flouncing out of Goneril's, the vocal demands almost as great old man dandles a giggling Regan (Clare Higgins) on his knee, Daddy and his little girl. This does, however, leave us totally unprepared for the screaming virago she suddenly and inexplicably becomes in the blinding scene - itself tame compared with Stratford's panting, retching frenzy, and needing a gratuitous stab

> in the goolies for the poor servant to make an impact. The gap between whipped-up hysteria and the (deliberately) mundane, which this director's work often leaves unbridged, is fatally illustrated by Peter Jeffrey's Gloucester. A lightweight actor, Mr Jeffrey is forever the smoothly fatuous headmaster in If. His Gloucester seems less put out than his eyes. Grateful for any chance to see Susan Engel, I ungratefully compare her Goneril's stylishly funny sitcom act with Sally Dexter's troubled, complex portrayal for

The physical image of Quixote and Sancho Panza are reversed in the figures of Lear and his jester. David Bradley's spindly, aquiline Fool, is already death's messenger. Little whimsy, much madness: a real seer who copes with his glimpse of savagery by sibylline shricking. Answering

as the King's, this gaunt, possessed figure, stranded somewhere between visionary and idiot, is one of the best of my experience.

The master is stockily com-

pact. Brian Cox gives him the small, tripping steps of determined old age. The falsetto yowl he did to death as Titus Andronicus is now kept in check and always relevant, the sixth age's "big manly voice, turning again towards childish treble". He avoids all the role's traps, brilliantly suggests the old age of a strong man, the fondness (in both ancient and modern sense) atrophying into doting senility; but is never so mad that bracing, painful glimpses of what he once was do not break through. He has all the makings of a complete

And yet . . . I wonder, heretically, whether the play is as sure-fire harrowing an experience as it should be. The old Olivier on television and an unstarry Almeida production by the RSC voice coach remain the only genuinely moving productions I know. Mr Cox must play the role again, and in other productions, until he discovers (as he surely will) the

Martin Hoyle

# Whose crime is it?

HERE ARE three good ideas in Partners in Crime, an irritating piece of nonsense clinging precariously to life at the precipitons New End Theatre in

The first has Conan Doyle and his brother-in-law, E.W. Hornung, discussing over a chess game in Heaven the relative detective skills of their creations, Sherlock Holmes and the gentleman thief Raffles, and settling the matter by setting them loose on the same case, precipitated

by Mycroft Holmes. The second inspiration has the straight man of both gentlemen 'tecs, Dr Watson and Bunny, being revealed as one and the same character. And the third had better be kept a fairly predictable secret in case anyone wants to see the production.

The authorship is credited to FG Callan, which might be the pseudonym of Elissa Swinglehurst and Caroline Tjoe, but that is hardly worth bothering about. The director is Michael Hunt, and a rather impressive set, which transforms a booklined Baker Street into a jewellery vault, is by Gill Shaw. Some quite good actors are let loose on the farrago, including Glyn Grain as an ingratiatingly decent Watson/Bunny, 'Brian Abbott as Holmes and

Michael Rhenish. But the play is weighed down by both its predictability, the weakness of the "case." and the complications. Although the actor playing Doyle enlivens things considerably by boldly improvising his lines there is just not enough excitement to justify the venture.

Antony Thorncroft

#### RSC to NT

Genista McIntosh is movins from the RSC to the National Theatre to take over the job of David Aukin who left recently as executive director for a career in television. It is a sudden switch bewteen two rival institutions.

Earlier this year Ms McIntosh became one of the triumvirate (the others are Adrian Noble and Michael Attenborough) entrusted with the task of running the RSC after the departure of Terry Hands. At the National she will be looking after the money while Richard Eyre concentrates on the creative strategy.

# Doubly delightful Onegin

mance - surprising because

throughout the Coliseum on Wednesday and Thursday night greeted two exceptional performances of Onegin. English National Ballet may be going through a difficult time, but the company still responds - as it ever has - to the presence of a star. Ekaterina Maximova and Eva Evdokimova, the Tatyanas of these evenings, received admirable and generous support from the ensemble, and the ballet stirred us with that irresistible combination of roman-

tic infatuation, a duel and

noble resignation. Cranko's drama is not of the subtlest, but Tatyana is a tremendous role, and no ballerina worth her salt could resist either the letter scene or the final rejection of Onegin, which are dramatically cast-iron and allow emotion to rage. I am happy to say that I am not about to rage unchecked about the two interpretations. Both artists were notable for the controls they imposed upon feeling and for the clarity with which the narrative was presented. Maximova (with Martin James her

sterling Onegin) gave a sur-

one might have expected an effusion of Slavic soul - its power coming from understatement and from the exquisite action of her dancing. It is as if she hears Pushkin's verse during the letter scene and is content to let it course through her movement. I thought her extraordinary during the duel, where she seemed frozen by horror at what was to happen; in the farewell to Onegin, Maximova made Tatyana's distress all the more potent by discretion of her playing. Everywhere the role was understood, stated with ravishing physical means - Maximova's legs and feet are exemplary - and

Evdokimova, making a most welcome return to London after a depiorably long absence, is also a Tatyana of the grandest gifts. Her portrayal is remarkable in its coherence: the innocent and very shy young girl first seen absorbed in poetry, grows through her love and her suffering - the letter scene, the ball scene and the duel, become recognisable stages in her progress towards maturity - until we meet her as a

ball. Evdokimova played the early scenes with enchanting grace and a radiant simplicity. every least flicker of feeling clear to us. But the farewell to Onegin (Alexander Sombart, ideal in the part) showed her now to be an artist of astonishing power.

This Tatyana is determined not to yield to her feelings for Onegin, or to Onegin's passion. We see how the girl has grown into womanhood, and see with what clarity and with what distress - how she fights to preserve everything that marriage to Gremin means.

Evdokimova has done many fine things, but this scene, in its physical precision, elegance of playing and blaze of emotion, is surely the greatest interpretation she has given in London. She is revealed as a superlative dance-actress.

Sombart's Onegin was a worthy partner in style and temperament, as in security of partnering. Two charming Olgas (Trinidad Sevillano and Maria Teresa del Real) and two impetuous Lenskys (Patrick Armand and Koen Onzia) were essentially part of these notable performances.

prisingly "interior" perfor woman at Prince Gremin's .... Clement Crisp

# An untimely swansong

T IS particularly sad to created the leading male role and, as one might hope for on observe the early retirement from the Royal Ballet of Maria Almeida and Jonathan Cope. She is 25, he is 27. He is expected to make his final appearances in Covent Garden's quadruple bill next week; she gave her farewell performance, with him as partner, in Swam Lake on Wednesday. No dancers of their generation had shown themselves so fully the inheritors of this company's traditions. That dancers of this eminence and achievement should abandon the art

so early is virtually without

precedent in the history of the They are assured an honoured place in the history of the company. Cope is a serious. modest hero. His gifts were evident from his Royal Ballet School graduation performance as Albrecht in Giselle and his first company performance in Swan Lake: tall and noble physique, chivalrous attentiveness to his partner, and long, strong phrases. His rare skill as a partner has made him the company's natural consort to a series of guest ballerinas from abroad - Elisabeth Platel. Cynthia Harvey, Sylvie Guillem, Altynai Asylmuratova.

His dance talent has been

employed by a series of British

choreographers, and he has

winner, The Stalin Sonata by

of many ballets - from Richard Alston's Midsummer (1983) to Kenneth MacMillan's recent The Prince of the Pagodas and David Bintley's forthcoming The Planets (premiere next

Almeida has always been

beautifully elegant and patrician, and she has grown steadily. No British dancer in recent years has shown dancing of such luminous delicacy in Act Two of Giselle or of such aristocratic refinement in The Sleeping Beauty. When she joined the cast of Kenneth MacMillan's Different Drummer, her coolly objective style heightened its drama; and she was the bride in his 1986 revision of Le Baiser de la Fée. Most notably, when Frederick Ashton revived Cinderella

and Ondine - his last work in ballet - she took the leading roles: Ashton gave her new warmth, radiance and variety. Swan Lake, with its lovedeath ending, was a perfect occasion for their joint farewell. What made the occasion all the more sad to watch was that both artists danced as if still in mid-career, as if still promising better things to come. No. this performance

was not immaculate. Yet from

both of them I noticed new

details of style, new definition.

such an occasion, more evident feeling than before. They showed why they have been so valued at Covent Garden in the Eighties, how much they have learnt during that time . . . but also how much further they could have gone. I will not, however, end on

this unhappy note of farewell. Without fanfare, Margot Fonteyn came in June to give private coaching to the Royal Ballet's several remaining Odettes-Odiles in Swan Lake. On Thursday, I watched the first performance to show the signs of this tuition. It was a farewell of another kind -Ravenna Tucker's last leading role at Covent Garden, after 10 years, before joining the Birmingham Royal Ballet in the

Fonteyn's coaching has affected detail upon detail of Tucker's performance. Soft. slow falls into her prince's arms in the great lakeside adagio: dancing made more firmly and daringly to fit the musical phrase; a new attention to crispness of definition: a new sense of the importance of small steps to the whole shape of a dance. Not (yet) a great performance, but an absorbing

Alastair Macaulay

Radio

# Van Gogh gets another hearing

last week, and now readings of his letters to his brother Theo on World Radio, starting past evels overtaking one tomorrow night. another, id although I have The programmes are deeply heard to five weekly prointeresting, much edited grammes did not bear what I though they are, and ably read by Ed Thomason. Yet even was looks for - complaints

come mt."

more im this.

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Words used to be an opportunity for literate folk to Illustrate their prejudices, but it has now been given a more practical disposition and to Theo vertigo or noises in moved to Saturday, although still on Radio 3. It is currently A Swesh doctor in Denver, clarify the technical terms of Colorad believes that van the professions. First, we had Gogh wineither mentally disbarrister Helena Kennedy turbed r epileptic, as previexplaining the meaning of words like "mitigate" and even ous disposes have supposed, but thate had Ménière's Dis-"no" (which, as we have ease, with causes vertigo and recently heard from the bench,

is what women may say when make neurotic sufferer cut they mean "yes.") off an r. The extracts from Now we have Professor John these kers deal only gener-ally wi ill-health - "illness Durant on scientific vocabulary. We casually throw it has no crors for me, it will all around with little idea of what it means. How many of us A Rao 4 play next Wednescould clearly define what a day, A ouse Halfway to Africa quasar is, or a quark, or any by Steen Mollet, deals with other of the 1,300 scientific van Gh's sad final years in terms among the 5,000 fresh Arles erhaps we shall learn entries in the New Oxford Dictionary? On the other hand,

how many scientists would understand the language of the City? Finance, sport, pop music, religion and especially computer jargon, which children now learn at school are My personal favourite of the Giles Cooper award winners came up as Radio 4's Monday play, Richard Nelson's Eating Words - uncharacteristic for

that slot, but most welcome. It

follows an intellectual conversation between two novelists. The American has been left by his wife after including her and her circle too recognisably in his latest book; the "gay" Englishman's friend has just died, and he is confined to a wheelchair. The American has taken refuge in England: conversely, the Englishman hopes to give lectures at Cornell. Intellectual conversation, I

said, but the two agree that

this adjective is used disparagingly nowadays, and their talk, invigorating on literary and social themes, is recognisably writers' talk and their ideas novelists' ideas. They get increasingly drunk on an odyssey between lunch, Soho pubs, St James's Park and, by 5pm, Westminster Bridge. We leave them there shouting poetry. their thoughts summarised in the conclusion that when they die, it won't be men they miss, but words. The two are admirably

played - the American by Ed Asner, the Englishman by John Woodvine, with a stimulating interruption by Emily Richard as a successful saleswoman in a pub. Ned Chaillet directed Richard Nelson must have had as much fun writing it as we had hearing it. The following day, Radio 3

gave us a second Giles Cooper

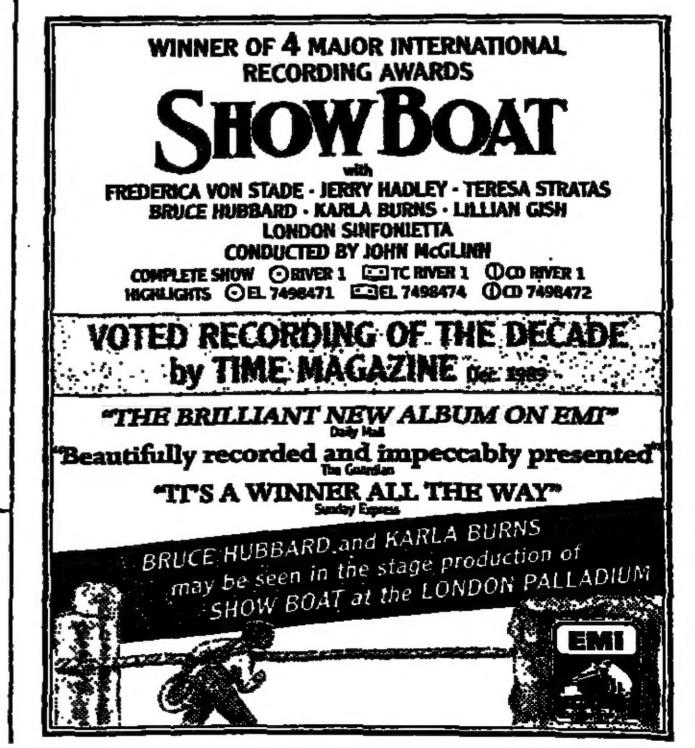
another American writer. David Zane Mairowitz, This is exciting rather than intellectual. Stalin demands a recording by a once-admired planist who has been imprisoned for some social error and her hands crippled by her prison treatment. But no recordings survive . . .

Barbara Jefford plays the pianist, and Philip Voss and Clive Merrison do all they can (nothing, as it happens) to rebuild her. Richard Wortley was the director.

B.A. Young

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Racing | Michael Thompson-Noel

Happiness outweighs horse sense

He is a doer, Bold Fox: gentle and mild mannered but also hummingly fast, as he showed at Sandown recently when winning a valuable mile-and-a-quarter handicap. Before the end of the season the company that owns Bold Fox, Blue Chip Racing, and the man who trains him, Guy Harwood of Pulborough, hope to run him in a prestige event, possibly in Britain, perhaps in Italy or Germany, with a view to boosting his value and earning him, just possibly, a crack at a stud career when his racing days are over.

Bold Fox and his exploits are what racing is all about. Yet in Britain, some racehorse owners are complaining again about low levels of prizemoney. Last month Susan Abbott, outgoing Racehorse Owners' Association president, called for a boycott of bookmakers, and told her annual meeting: "If you feel the bookmakers are the cause of racing's poor finances and therefore responsible for our low levels of prizemoney, why do business with them? "We do have a choice, and if all owners and trainers were to bet with the Tote

wherever possible it would show we can

take direct action . . . " Predictably, her call to arms fell as flat as a three-legged runner in the Grand National steeplechase. According to the fiery Abbott: "Spiralling training and racing costs have now reached a level that many owners are finding intolerable. As soon as the number of owners starts to fall, the consequences will be felt right across the industry ... British

based on a wide spectrum of ownership. The bottom of the pile is very wobbly at the moment and racing will be the sufferer should it collapse." Speaking from the wobbly end of the market, I can only demur, because what most owners in Britain - virtually all of whom are wealthy - seldom acknowledge is that prizemoney, modest though it is by

racing is the best in the world, but it is

return that owners enjoy. There is what Americans call "psychic payout": the adrenocorticotrophic surge of pride and pleasure that a racehorse gives you when it steps from its box, glides across the training gallops, canters to the

international standards, is not the only

start or galvanises itself into action in the middle of a race - even if it is an old slowcoach of an animal that is never going to win a race, let alone recoup a smattering of its capital and training costs.

If it does turn out a winner, the surge of joy that an owner experiences is like a bolt of electricity. Take Bold Fox. Blue Chip Racing started life in June 1987 after raising £502,920 with which to purchase six yearling racehorses and pay for their keep and racing. Each share cost £495.

The company bought one or two other horses subsequently, but we can forget about them. The initial six cost between £27,000 and £53,000 each. One never ran. One had to be destroyed because of cancer - the insurers re-imbursed us £43,000. The only one that was any good was Bold Fox. a fine, upstanding bay colt by Ballad Rock, which did not run as a two-year-old because of persistent back trouble.

But he raced four times at three, winning his first two races, and has won twice as a four-year-old this season, most recently surging home at Sandown to pip

the American-bred Akdam by a head in the Royal Hong Kong Jockey Club Trophy Handicap on July 6 while shouldering 9 stone 5 lbs. It was a valuable race, worth £35,775 to the winner, boosting Bold Fox's career winnings to £44,039 and providing all his part-owners - little people like me: modest and unassuming: not at all wealthy: free of angst and aggressiveness: the backbone of olde England - with a great deal of happiness.

t the end of last year, when Blue Chip Racing elected to stay in business for a further season so as to campaign Bold Fox as a four-year-old, there was a meagre £35,000 left in the kitty. The other horses had been sold off - mostly for peanuts: nothing unusual in that. Bold Fox's trainer, Guy Harwood, charges £34 a day, so the sum pencilled in for a season's training bills was approximately £12,000.

Happily, Bold Fox - who cost £36,000 initially - has set the till ringing with his thrilling win at Sandown, Richard Wright,

the driving force behind Blue Chip, says that Bold Fox's insurance cover was recently increased from £50,000 to £100,000. Wright is an ex-Dunlop-Slazenger sales and marketing person, also latterly an hotelier. He says that the formation of big public racing syndicates like Hue Chip has virtually ceased, "simply because they haven't been successful enough." However, with a winner like surs Blue

Chip's shareholders have had a good run for their money, and will get smething back at the end of the day. "He': a lovely horse", says Wright. "He's only got one gear, but is a relentless galloer. He's extremely determined and likes o get his head in front. The stable reckon that the Sandown race was the first time he really had to make a major effort in order to win. Perhaps someone will want him for stud; or he could be sold to go hurdling." Will he win his next race? do not

know. I have no inside informaton. Guy Harwood isn't talking to me, haing chosen to get the hump over an artice I wrote about the Grand National and th slaugh-



ter rate in National Hunt racing. As I wrote to Harwood in a letter: "What the Grand National has got to do with Flat racing is a mystery to me" - but there we

have it; or rather, we don't. Not that I am fussed. I am the most affable of employers. I never get the hump. Bold Fox is all that matters. Racing is the thing. Life, health - and horses! Plus £50 each way now and then.

#### Equestrianism | Jane Fuller

# Money is the hurdle

OR THE first time outside the Olympics, the three main equestrian sports of showjumping, eventing and dressage are sharing the same championship venue at the World Equestrian Games in Stockholm. which run until next Sunday.

The uninformed could be forgiven for thinking that the great divide is between those who ride - more than 3m Britons are estimated to do so – and those who do not; or between weekend riders and those who appear on TV competing at Hickstead (showjumping) or Badminton (a three-day event with cross-country as the highlight), all

of them apparently professional. But the three Olympic sports inhabit largely separate worlds, as do the three other activities represented at Stockholm: long-distance riding, driving and vaulting. Nothing divides them more than money, although each soaks up lots of it.

The most financially advanced is showjumping, with by far the largest number of participants, competitions, televised events and prize money - £1.74m was paid out last year. Nearly everything to do with showjumping is measured in money. Riders are ranked according to the amount won in a 12-month period and horses advance through the grades according to their career totals. Eventing and dressage, however, rely on points systems and

prize money remains insignificant. The judging of showjumping is similarly cut-and-dried. Mistakes such as knocking down a pole are indisputable, whereas dressage is marked subjectively, like ice skating. While showjumping has always attracted a more urban, business element. the hunting roots of eventing's cross-country phase have kept

it more of a country sport. As a result, the corporate backers have different aims. Robin Berrill. managing director of Henderson Unit Trust Management, which is putting £1.5m into sponsoring the Whitaker brothers and a series of competitions over three years, says: "Showjumping reaches a cross section of the more affluent members of society, irrespective of class."

He enjoys the direct. unsubtle advertising plugs of the company prefix on a horse's name, notably Henderson Milton, and its logo on every accessory. As befits an unashamedly commercial arrangement. Henderson calculates the value of the column inches mentioning its name, based on advertising rates. The figure for the first six months of this year was £70,036.54,

excluding TV coverage. Individual showjumpers are just as willing to talk about money. Coming from a thrifty Yorkshire background, John Whitaker, reigning European champion, winces as he says it costs well over £100,000 a year to run his 15-horse string. At present he need not worry. Apart from sponsorship income, he won a total of £315,000 last year.

#### The attraction of a dangerous sport dominated by women'

Showiumpers without a sponsor make a living via prizes, private patrons, horse dealing and teaching. Yet there is a feeling that the sport needs to become more professional in its commercialism. While British Equestrian Promotions finds sponsors for competitions, there is no agency actively seeking sponsors for individual riders.

However, those individuals may need to pay more heed to the sport's image, particularly in the wake of allegations of cruelty against the leading West German trainer, Paul Schockemöhle. Riders may also need to consider the level of service given to sponsors, especially as the venues often lack the "picnic factor" associated with eventing's

parkland settings. When it comes to the less quantifiable aspects of value for a sponsor's money, it is eventing and, nascently, dressage that show the way. Take Ginny Leng, who is defending her world three-day-event title this weekend. Her sponsor, Citibank Savings, is paying her £100,000 this year; in return it gets

what Val Gates, head of promotion and sponsorship, describes as "high-profile hospitality." The customers "rub shoulders with Ginny and they love it."

Ginny Leng is also contracted to devote 12 half-days and six full days to serving her sponsor: hosting visits to her yard, opening branches and giving speeches. Unlike Henderson, Citibank does not count its column inches, yet media coverage of the sport is greater than might be expected, bearing in mind the paucity of three-day events.

Features that the showjumpers might envy are Ginny's good looks and articulacy, the attraction of a dangerous sport dominated by women and a glamour factor which draws such boyfriends as Sebastian Coe (engaged to Nicola McIrvine) and Andrew Lloyd-Webber (Madeleine Gurdon). Yet for all these intangibles, the lack of serious income from the sport means that Ginny is far more dependent on her commercial sponsor than her showjumping equivalents. "I would have to give up without it."

Apart from the meagre prize money, even top-class eventing remains a largely owner-rider sport without the level of private patronage attracted to showjumping. Dealing is another earner that the comparatively genteel participants tend not to exploit. Ginny's secondary income sources are advertising and teaching.

Eventing's need for sponsorship is ironic in a sport which until recently baulked at corporate logos on saddle cloths and turns up its nose at the thought of commercial prefixes to horses' names. The emerging solution - one that continues to attract whinges from the stuffier letter-writers to Horse and Hound — is that sponsors should be given better value for money, but within the bounds of "taste."

The ultimate in "taste" is dressage, which presents itself as the ballet of the horse world. It is making a virtue of necessity because a lack of medal winners and an admitted boredom factor among the uninitiated have largely kept it out of sports page headlines.



John Whitaker on Henderson Milton - named after the sponsors

in its attitude to professionalism as well as to commercialism. It has only this year agreed to accord virtually all riders "competitor" status, rather than distinguishing between amateurs and professionals, and excluding the latter from its teams. A glimpse of the different attitudes was supplied by two aristocratic women at the recent Hermès

International meeting at Goodwood. One was rendered temporarily

Dressage lags behind the others speechless by the proposition that sponsorship would enable more and better young riders to progress in the sport. The other said that bringing in more money was essential to help youngsters afford good horses

and top-class training. With all three sports now grappling with related problems, it would be nice to think that this will help to bring them closer together, just as the World Equestrian Games are doing in Stockholm.

#### Golf | Keith Wheatley

# Royal Faldo now one of the Family

TICK FALDCis becoming more and mee an ex-officio member of te Royal Family. With so few Brims around of genuine world charpion status, Faldo's majesty gows by the month. The disclosus by his wife Gill that he would bæly recognise the family cheque bok only inten-

sifies the metaphor. On the final nineholes of the Open last Sunday, aldo looked every inch the king His closest rival, flamboyant Agrican Payne Stewart, at one poin reduced the gap between them towo shots. If Faldo, who began theourth round five shots clear, felt sprehensive it never showed on hisTom Sawyer features.

After several year of success without real populary, Faldo at last seems able to enathise with the gallery. They oared and cheered as the soon-toe champion. marched down the irways. He enjoyed and acknowled the support, without worring that it threatened his concenation.

That fixity of purpot was almost terrifying. When Faldchree-putted on the huge green of to 463yd 4th. it was only the fouh shot he dropped to par in fourlays. There were no more hostagetest on that final round, dedicatedto risk-free percentage play.

One had to feel say for his playing companion, ti, ebullient young Australian Ian aker-Finch. During the 1984 Open ast Andrews he had gone into the fal day five shots ahead of the pik only to blow up and shoot 79. Do I think about '84?" he answeri a correspondent. "Only three ofour times a day for the past six yers."

But to play with Falddast weekend was to be scorchedGreg Norman, an Australian ger somewhat more successil than Baker-Finch, suffered tht fate on Saturday. They had set out together, joint leaders fter two rounds, at 12-under par Norman. the previous evening, haceen optimistic that his four-year lability to

turn a platform into a win was over. How wrong he was to be. Feldo opened with a superb birdie while Norman struggled for par and bogied the next. So it continued until the gap between them on the 18th green was nine shots and Norman was effectively out of the Open. He looked a broken sportsman and those who know the blunt Queenslander say that he took an awful pyschological beating under the Fife sunshine.

Among those who definitely enjoyed themselves was Paul Broadhurst. His 63 on the third day was an Old Course record for the Open and something that this young professional from a nine-hole course in Warwickshire must remember as long as he draws breath. In the most amazing spell Broadhurst, his putter a magic wand, birdled holes five to ten inclusive. His father Malcolm, a 28-handicapper with the Society of One-Armed Golfers,

cheered him green by green. Whether the record crowds enjoyed themselves quite as much is questionable. The beauty of major golf championships has always been the ability to wander the course and see the great players do their stuff just a few feet away.

Yet on the final two days of the Open all that most spectators saw was the back of other peoples' heads. Of course, there was the option of staying put in one of the grandstand seats and watching the competitors trundle past one's "window." I suspect, however, that most golf fans would opt to see a complete round from one favourite rather than 70 players tackle one hole.

The Royal & Ancient are adament that the Open will always remain just what its name implies, accessible to anyone who pitches up to the turnstile with the price of admission. They are the last of the four "majors" to take this line and it remains to be seen, as the popularity of golf increases exponentially, whether it is one they can hold for much longer.

#### TELEVISION & RADIO

#### findicates programme in black and white

7:30 am Playdays. 7:50 Mupper Bables. 2:15
The 8.15 from Manchester. 10:52 Weather.
10:55 Grandetend Including 11:00 Cricket:
England v India. Third day of the First-Test at
Lord's; 1:00 News; 1:05 Eventing: World
Equestrian Games from Stockholing: 1:40
Cricket; 2:00 Racing from Accot. 2:50 Extensi
2:36 Racing 2:60 Swimming: TSS #250nal
Championships from Crystal Palace; 3:20
Racing from Accot; 3:39 Swimming; 2:50
Freeting

Stay Tooned! \$46 The Flying Doctors. 6:35 'Alio 'Alio. 7:00 That's Show Business. 7:30 Takeover Sid. 8:00 Miss Marple: A Caribbean Mystery starring Joan Hickson. 9:50 News and Sport. 10:10 Rockstiffe's Babies. 11:00 Film: "The Last of Shiels" starring James Coburn with James Mason, Requel Weich, 12:55-1:00 am Westher.

#### BBC2

Musketsers" starring Cornel Wilde and Mau-reen O'Hara. 4:99 Cricket: First Test -England v India at Lord's, 6:15 World Equestrian Games, 6:45 Eyes on the Prize.
7:45 Newsview, 2:30 The Reel Thing, 9:58
Film: "Connery Row" starring Nick Notice and
Debra Winger, 11:45-12:29 am Cricket; First

#### LONDON

6:90 am TV-am Breekfast Programme. 9:25 Children's ITV: Ghost Train. 11:30 The ITV Chart Show. 12:30 pm Hucklebarry Finn and-His Friends. 1:00 ITN News followed by National Weather. 1:05 Local News and Weather. 1:10 A Boode Called Derek... 1:40 Coronation Street. 2:25 Migtiock. 3:25 Murder, Mystery, Suspense: "The Night Nurse", 5:00 ITN News and Weather. 5:05 Local News. 5:15 Zorro. 5:45 Champion Biockbust-ers. 6:35 Stars in their Eyes, 7:05 It's Beadle. 7:35 Ciose to Home. 2:35 The Saint, 9:55 ITN News and Sport, followed by ITV National Weather, 18:18 Local Weather, 18:15 Pick of the Priots, 18:45 Spitting Image, 11:15 Tour of Duty, 12:15 am "The Oblong Box" starring Vincent Price and Christopher Lee.

#### **CHANNEL 4**

8:00 am Transworld Sport. 9:00 Channel 4 Racing: The Morning Line. 2:25 Australian Rules Football. 16:39 Hand in Hand. 11:00 Check Out. †11:30 Wagon Train. †2:30 pm California Off Beat. 1:08 Equinox: Robotopia. †2:99 "Man of Aran". 3:25 "The Admirable Crichton" sterring Kenneth Mora. 3:18 Brook-8:30 Don't Just Sit There. 7:00 The World This Week. 8:00 Mahler's Symphony No 8. 9:45 Thirtysomething, 19:40 Film on Four International: "Zen Boko" (subtitles), 12:30 ass Verdict, 1:45 The Harp in the South.

#### S4C WALES

71:30 am Loads More Muck and Magic! 12:08 Sumo. 12:30 pm Geodwood. 1:36 Europe Express. 2:00 Festure Film; "Umrso Jasn". 4:35 Fishing Village - Otzisvik. 7:60 Citizen 2000. 7:36 Newyddios. 7:00 Gweld Ser. 8:25 Athletau. 2:00 Film on Four Take Two: "Est the Peach", 16:45 Mahler's 6th Sympho ISA Regions as London except at the following times:

#### BORDER

1:46 per The Life and Time of Grizzly Adams. 2:46 Matines: "The 7th Dawn" starring Wil-liam Holden. 11:15 Film: "China Hand".

#### CENTRAL 72:30 pet The Champions. 2:35 Starring Rob-ert Redford and Jane Fonde: "The Electric Horseman". 11:15 Starring George Peppard: "The Groundster Conspirecy".

CHANNEL 12:36 per Windowfl 1:05 Diary Dates, 2:35 ...And They Walked Away, 2:35 "Men of Sherwood Forest". 11:15 "Policewomen Contertold".

#### GRAMPIAN

\*\*The Electric Horseman\* starring Jane Fonda. 4:50 Cartoon. 6:10 Criomagan. 11:15 Festure Film - "The Man in the Brown Suit".

#### GRANADA 1:40 pm The Oldest Rookle. 2:35 Saturday Matinee: "The Black Rose" starring Orsen Welles and Tyrone Power. 4:50 Bunny and Claude. 11:15 David Soul in "China Hand".

HTV 2:35 pm "The Black Rose" starring Tyrone Power, Orson Welles and Jack Hawkins. 11:15 "Aloha Means Goodbye" starring Sally Struthers and James Franciscus.

#### SCOTTISH 12:30 pm The Campbells. 2:35 Spectacular World of Guinness Records. 3:00 Film; "The Norman Swordsman" 5:10 Scotland Today, 11:15 Beauty and the Beast. 12:10 am "Urban Cowboy" starring John Travolta.

12:30 per The South West Week 2:35 All Islands to Starboard. 3:35 Film: "Beg. Borrow and Montgomery Clift. 12:10 am News followed by "Lois" (Spanish film, English dis-

#### SATURDAY Cole: 5:18 Gus Honeybun's Magic Birthdays. 11:15 Film: "Scandel Sheet" starring Burt

12:30 gan Windourff 2:35 "The World of Suzi Wong" starring William Holden and Nancy Kwan: 11:15 X-rated: "Policewoman Centre-told" starring Melody Anderson and Ed Mari-

#### TYNE TEES †1:40 jun "A Prize of Arms" starring Stanley Bakerit Heimut Schmid and Tom Bell. 3:35 McCloud. 4:30 Bullseys. 11:15 "China Hand" starring David Soul.

ULSTER

#### 12:30 pm The Munsters Today, 1:48 International Shinty: Scotland v Ireland, 2:48 "Family Flight": starring Rod Taylor and Dina Mernit, 4:30 The A-team. 11:15 "Q - The Winged Serpent" starring Michael Morigity and David Carradine.

YORKSHIRE

# RADIO

(S) Stereo os FM RADIO 2 with Sounds of the 50s, 9:00 Johnnie Ray (1927-1990) recalled by Dave Gelly, 10:00 Sat-

urday Club with Brian Matthew, 1260 Gerald 1:36 pm Someone and the Grumbieweeds. 2:06 Robin Rey on Record, 3:68 Mundy on Saturday with John Mundy, 4:45 Martin Har-ris at the Wurlikzer Organ, Cannon cinema, Harrow, 5:06 Cinema 2. \$30 Jazz Score. 6:00 Behind the Crease. 7:15 Can I Yake That Again? 7:30 Max with

Love with Max Bygraves.

2:00 Glorious John, A tribute to conductor Sir John Berbirofil, who died 20 years ago tomorrow. 2:00 Montgomery. Plant and Stritch. 2:30 String Sound. 10:00 Radio 2 Arts Programme with Sheridan Moriey. 12:05 ass Stars of the 60s with Mike Berry. 1:50-4:00 Night Ride. Medium Wave as above except-1:30-6:00 per, Sport on 2, Including criciest and racing from Ascot. 7:25-8:00 Rugby Union: Argentina v England, live from Bue-

#### RADIO 3

7:00 em Morning Conct, 8:38 News, 8:35 Bournemouth Simioniet Poulenc (Sinfo-nietta), Mozart (Piano Coerto No 11 in F). 5:30 Record Release, 1'6 Jill Gomez and Graham Johnson (sound and plano): Schubert (im Fruhling; D Mainacht; Erntelled; Herbet; Winterlied; AMein Herz; Fruhlingsgisube), Britten (Theoet's Echo), Roberto Gerbard (Cancioners, erto Gerhard (Cancionero,

1:50 pm News, 1:55 Woe, 1:18 The Classical Guitar at Esztergom tartin Myelivecek, plays Peter Eben (Toccatatirtan (3 Spanish Pieces), Petr Finia (Sonati), Milan Tesar (4 Childhood Moods), 1:45 Jeart, Christopher Kite (fortspiano); Sonatas, A minor, K 310 and in A, K 331), 2:38 Seveles Sondheim on Broadway with Mark Stey Polites in Concert, 4:19 Music from Bigna, Late 17th-century concertes and states by Toreiti, Glovan Battists Vitali, Cazzi and the young Corelli played by London-freque, \$50 Jezz Record Requests, \$45 Impretations on Record, Schumann's Cell Concerto, with Leo Bisck.

6:45 A Pause of Thought ric Partin plays plano music by Wittiam Blas. 7:36 Proms 1990: City of Birmingham Stwim Colin Parr (clarinal), the CBSO Chorutad Simon Haicoarrier), the CBSO Chorushid Sknon Hai-sey Singera: Brahms (Sympley No 4); (8:10 Interview with composer Jo; Adams); 8:39 Debussy (Rhapsody for class) and orches-tra), John Adams (Harmoniu for chorus and orchestra), 8:25 Three Albane Tales, 9:45 Medici String Quartet, Witterwall sading); 16:26

Schubert (Cuartet in A minor, D 804), 19:55 A Sequence of Nocturnes played by planist Paul Crossley. 11:30 Music from South India. 12:00-12:05 am News. Medium Wave as FM except-10:55-6:30 pm Test Match Special England v Indie, third day of the First Cornhill Test, including 1:16 "A View from the Soundary" with guest John Major, Chancellor of the

. -- -

#### RADIO 4

7:50 am Today, 9:80 News, 9:05 Sport on 4 9:30 Breaksway, 10:00 News; Loose Erids (c), 11:06 News; The Week in Westminster with Robin Caldey, 11:30 Europhile, 72:00 Money Box, 12:25 per The News Cutz (s), 12:56 1:00 News, 1:10 Any Questions? 2:00 News: Any Answers? 2:30 Play: The Man That Got Away (a), 3:46 Children of the Cloth (a), 4:30 Will You Still Love Me? 4:30 Science Now. 5:00 Conversation Piece. \$25 Little Bilghty on the Down (s), \$250 Shipping Forecast. \$350 Westher, \$:00 News; Sports Round-up, \$250 Citizans, Oranibus Edition (s), 7:38 Saturday, with Robert Robinson (s), 7:38 Saturday, \$100 Citizans, Crantbus Edition (s), 7:38 Saturday, \$100 Citizans, Crantbus Edition (s), 7:38 Saturday, Care Saturda day-Night Theetre (s). 2:20 Munic in Mind (s). 2:50 Ten to Ten led by the Rev Stephen Oliver. 2:50 Weather. 18:30 News. 18:15 The Gardening Oulz. 16:45 Once Upon a Time. 11:00 The Tingle Factor (a). 11:30 Araold Brown and Company (s). 12:08-12:38 em

#### **SUNDAY** Link, 11:80 Morning Worship, 12:08 Heart-land, 12:30 pm The Gara Bears, 12:58 Local 3:00 Criced. 13:45 FBm: "The Working Man". Just Champion. 2:10 Speciacular World of Guinness Records, 2:46 The Amazing Mr Blunden. 4:30 Royal Champion. 5:30 Trailbla-zers. 12:95 am The Human Factor. 12:35 The

8:55 am Playdaya. 8:15 Umbrelle, 9:30 This is the Day. 10:50 Bugs Bunny's Year. 10:25 Film: "The Spy With A Cold Nose" with Lienet Jetfries and Laurence Harvey, 11:55 Tom and Jerry Double-Bill. 12:05 pm Sign Extre. 12:30 Country File. 1:60 News; Speaking Volumes. 1:45 The Pink Panther Show. 2:00 EastEnders. 3:00 Film: "The Quie Man" with John Wayne and Maureen O'Hara. 5:05 All Our Children, 5:55 Head Over Hoels, 6:25 News. 6:60 Festival. 7:15 All Creatures Great and Small, 2:05 Blackadder the Third. 8:35 Film: "Travelling North" with Lee McKern and Julia Blake. 10:10 News. 10:25 Everyman, 11:95 The Days and Nights of Molly Dodd. 11:30 You and 92, 12:85 am The Sky at Night. 12:30 Mahabharat (in Hingi with English subtities), 1:10-1:15 Weether.

#### BBC2

12:00 Westminster Week, 1:00 pm Grandstand, featuring 1:98 Motor Recing. The Germen Grand Prix from Hockenheim; 2:38 Swimming (TSB National Championships); 3:06 Motor Recing; 3:36 Swimming; 4:30 Eventing (World Equestrian Games). 8:30 One Man and His Dog. 7:15 Rough Guide to the World. 2:05 The Late Show. 9:05 Joseph Campbell and the Power of Myth. 8:45 German Grand Prix (highlights of today's race). 10:25 Film: "Youmbo" with Toshiro Milune. 12:15-12:55

#### LONDON

6:09 am TV-am Breeklast Programme. 9:25 Children's ITV: Disney Family Movie: "Wild Jack" (Part 3). 18:15 The Campbella. 18:45

em World Equestrian Games from Stockholm.

News. 1:06 ITN News, followed by ITV National Weather. 1:10 An invitation to Remember...Sir John Mills. 1988 Barbara Stanwyck in The Big Valley. 290 A Tribute to Peter Setlers: "The Flendish Plot of Dr Fu Manchu". 4:30 Rugby: Argentina v England. 8:30 A Kind of Living. 4:09 All Glued Up. 8:30 ITN News, followed by ITV National Europe, 7:15 Jimmy's, 7:45 Forever Green, 8:45 ITN News, followed by ITV National Weather, 9:56 Local weather, 9:55 Yester-day's Dreams, 11:00 Red Empire, 12:09 Film: "A Touch of Love" with Sandy Dermis and ion McKellen.

#### CHANNEL 4

7:00 mm Gardeners' Calendar. 7:30 Once Upon a Time...Life. 8:00 Early Bird. 8:25 David the Gnome. 8:55 Ramona. 8:25 Band-baja. 10:00 A Week in Politics. 71:00 Story-wheel. 11:30 Elly and Jooks. 12:30 The Waltons, 1:00 per Land of the Glents. 2:00 Film: "Blanche Fury" with Valorie Hobson. 3:46 Mauvais Esprit: A Day in the Life of a Mos-quito. 2:16 Gentlemen Jim Roeves. 14:26 The Net King Cole Show. 5:25 News Summary and Westher. 6:30 Cycling: Wincenton Classic: Brighton to Brighton. 6:30 The Costy Show. 7:00 The Energy Alternative. 8:50 Seyond the Groove. 8:30 Film 4 Today; "Our Day Out". 9:55 A TV Dente. 110:20 "The Defiant Ones" with Tony Curtis and Sidney Politier, 12:10 am Cinema from Three Continents: "The Black Cannon

#### S4C WALES

incident" (with English aubtitles).

As Channel 4 except-1:00 pm TV 101, 2:00 Kingdom of the Deep.

Scill Criced, 6565 San Stellan. 7:05 O Bedwar Ban, 7:29 Newyddion, 7:39 Carrent Molianmen. 8:90 Het Strason, 8:30 Cerddor A Marwolaeth, 8:49 Yn Fyw O'r Prome, 2:38 Rygbi Rhyngwledol '90 Ariennin v Lloegr, 19:50 Pänieu, 19:29 Y Duw Byw, 10:39 The Gravy Train, 11:39 Angels and

#### at the following times:

**ANGLIA** 12:30 pm Farming Today, 1:19 Devil's Advo-cates. 1:40 Highway to Heaven. 2:35 Film: "Girls at Sea". 4:05 International Rugby. 5:05 The incredible Hulk 12:00 Prisoner: Cell

#### BORDER

CENTRAL

11:16 Film: "Siondie en a Budget", 2:30 Diek Tracy - Behind the Bedge. 2:00 International Rugby: Argentina v England, 4:99 Battle of Britain Salute, 5:99 Coronation Street, 12:99 Prisoner: Cell Block H.

12:30 pm Gardening Time. 1:16 Contrasts. 1:40 The Life and Times of Grizzly Adams. 2:30 Film; "The Hunters" with Robert Mil-

chum. 4:38 International Rugby: Argentina

#### England (highlights), 5:30 The A-Team, 12:00 Prisoner: Gelt Block H.

CHANNEL 12:30 pm Reflections, 12:35 Les Français

#### Law and Harry McGraw. GRAMPIAN

11:15 Sunday Service. 11:45 Link. 12:30 pm Jack Thompson Down Under. 1:10 Held In Trust. 1:60 Film: "The House Across The Lake". 3:30 Rugby: Argentine v England. 4:90 Ketta and Dog. 4:30 All Clued Up. 5:00 Grundig UK Mountain Bike Championships, 6:00 Windsurff 12:05 am Prisoner Cell Block H.

10:45 are Here Come the Double Deckers.

#### 12:30 per Granada This Week, 1:10 French Connection, 2:15 Alchmond Hill, 3:10 Internetional Rugby: Argentina v England (First Test. 4:18 Hepburn and Tracy. 5:05 All Clued Up. 5:35 Coronation Street, 12:08 Prisoner

GRANADA

12:30 pm Looking Back, 1:10 The Time Tunnel. 2:90 West Country Farming, followed by Westher for Farmers, 2:30 HTV Newswook.

Cell Block H. 12:55 mm Quiz Night.

#### Cell Block H. HTV WALES

112:30-12:35 pm The Invisible Mar. 2:00 The

12:30 pm TVS News. 12:33 Agends. 12:58 TVS Weather and Farming Weather, 1:10 Huddeberry Fina and His Friends, 1:40 Just Champion. 2:10 The Speciacular World of Guinness 3:00 Shooting Stare. 4:00 Dick Tracy - Behind

#### the Bedge, 4:30 Rugby: Arghenting v England - 1st Test, 5:30 Watching, 12:05 am Prisoner.

TYNE TEES

#### for Fermers. 230-3:00 Perspectives. 4:00-4:30

11:00 età A Grief Observed. 11:30 Sunday Service 12:30 pm Am Fasach. 1:10 The Stik Road. 2:10 McCloud. 3:10 International Rugby: Argentina v England, 4:10 Just Cham-plons, 4:36 The Best Bands in the Land, 5:05 Rughy: Argentina v England - 1st Test 4:10 All Clued Up. 5:35 Coronation Street, 12:05 Gardening Tips. 4:15 Glenveach - Heart of

# Brus Championships, 12:05 am Dick Tracy -Behind the Bedge.

SCOTTISH

12:30 per Farming News, 1:10 Off the Hook. 1:25 Triumph of the Nomads, 2:20 Here Come the Double Deckers, 2:45 Film: "Doctor in Love" with Lealie Phillips and James Robert-son Justice. 4:20 Rugby: Argentina v England. \$:30 Coming of Age. 12:00 Special

Donogas: 5:00 Grundig 1990 UK Mountain

#### Records 246 The Amezing Mr Blunden, 4:30 Rugby: Argentine v England. The First Yest 6:36 Traiblezers. 12:00 The Hyman Pactor. 12:30 mm Late Night Late.

12:25 per Jack Thompson Down Under, 1:10 Highway to Hoaven. 2:10 Survival. 4:30 Rugby: Highlights of yesterday's first Test between Argentina and England, 5:25 Caro-nation Street (Omnibus edition). 12:00 The

ULSTER 12:30 pm Gerdening Time. 1:10 The Match: Gaelic football - Connaught Final. 2:10 Rally-cross. 2:40 Media Skills. 2:10 International

#### em Prisoner; Cell Block H. ORKSHIRE

12:25 pm The Double Deckers. 1:10 The Life and Times of Grizzly Adams, 12:05 Film: "The Pride of the Yankees". 4:30 Rugby: Argentine v England - First Test 5:30 The Spectacular World of Quinness Records, 12:00 ITN News Headleines, followed by The Law and Harry McGraw.

#### RADIO

(3) Stereo on FM

RADIO 2

7:30 am Don MacLean says 'Good Morning Sunday'. 2:05 Richard Baker with 'Melodies for You'. 11:90 Desmond Carrington with 'Redio 2 Ali-Time Greats'. 2:00 per Benny Green. 3:00 Alan Dell with 'Sounds Easy'. 4:00 London Pelm Court Orchestra. 4:30 Sing Something Simple. 5:00 Alan Towers. 7:90 Brooks Astron's Sepanada. 8:00 Towers. 7:90 Brooks Achron's Serenade. 8:00 The Kings Singers, 8:39 Sunday Half-Hour, 9:90 Alan Keith with 'Your Hundred Best Tunes', 10:05 Radio 2 Arts Programme with Frank Oplaney, 12:03 am Robin Ray on Record, 1:00-4:00 am

#### As above, succept-2:00-7:00 pm Sunday Sport, Huding Cricket, Motor Resing, Eventing and Haming.

#### 7:90 am Bach's 48 Book 2.48 Name, 7:36 Music, Myth and Legend & News. Bas Your Concert Choice. 18:30 iom Talk with

Your Concert Choice, 18:20 jam Talk with Michael Hall and his guest, Oposer Mark-Anthory Turnegs, 11:00 BBCshillsarmonie with Oliver Chartler (victin) Ivorak (The Water Sprite), Mendelssohn (Min-Conserto in E minor), Wagner (Prefud Lohengrin), Mezart (Symphony No 41, 'Japir'), 12:69pes Russian Music for Gidren played by Andrew Ball (plane); Toballysky, (Album for Children Op 39), Sofia ubayduling (Pleces for Children), 1:25 Theyaliaca Collection directed by Slason War (organ), 2:50 Uister Orobestra with Bry Oouglas (plane); Adrian Thomas (Inida), Bach transer Webern (Piceracre), Stok (Plane Concerto No 3) (3:25 Interval Fading) 3:60 Lyell Cresswell (Spank for Us. Irest Sea), Copland (Suite: Appalachten Iring), 4:30 Celebrity Regital, Tokyo Str., Ouartet: Heyda (Guertet in G Op 74 No., Titder'), Borodin (Quertet No 2) (S:20 Inival Reading) \$:25 Schubert (Quartet in G:267), 2:15 Boomtown, Norman Hodway rude Aldam Hogins' short story.

7:00 French Harpsighord Mushammer and Control of Comment Hodway rude Aldam Higgins' short story.

7:00 French Harpsichord Musi-ptayed by Erner Buckley: Nicotae Labegue wite in Q: Allemande, Courante; Sarabande Tave; Che-Asemande, Courante: Sarabande ante in G:
conne grave; Gigue). Antoine Pourrey (Le
Mandoline; La Buisson: La Leair). 7:36
Prome 1990: SBC Welsh Symphon Orchestra
with Cecile Oceast (pieno). Joe Rodgers
(soprano) and the BBC Wels Chorus:
(soprano) and the BBC Wels Chorus:
Debusey (Nocturnes), Poulenc (Fac Concerts) (6:28 Michael Oliver on Friorming
Faute's Requiem) 2:48 Faute (Region).
2:35 The Athernore: Tales. New Jeson
roads The Legend of the Beautiful Thomas

#### by Washington Irving. 3:55 Mash Engentile with Jean Rigby (mezzo); Simon Rolf (Bisleaca oscura), ives (Violin Soneta No 2); George Crumb (Night of the Four Mone) (16:45 Interval Reading) 10:56 Mark-Anthony Turnage (Beating about the Sush), Copland (Sextet), 11:25 Domenico Scariatii, Andres Schiff (plane) plays the Sonates in E flat IX 474 and 476, 11:40 Sects Eight Leipzig Cartie-

#### RADIO 4

7:90 am News 7:16 Sunday Papers. 7:15 On Your Farm. 7:45. Sunday, including 7:55 Westfor 8:90 News 2:10 Sunday Papers. 8:55. Appeal by Dr Miriam Stoppand on behalf of Parentitine, an organisation that works to pre-Yout child abuse. \$35 Weather, \$30 News. 8:18 Sunday Papers \$:15 Letter from America by Alistair Cooks. 9:30 Marring Service (s). 10:15 The Archers, 11:15 News Stand, 12:30 Pick of the Week (4). 12:16 pm. Decert teland Dieca (a), 12:55 Westher, 1:56 The World This Westerd 1:55 Shipping Foremet. 2:00 Gerdeners' Question ; Time, 2:00 Play: "Red Ribbons" (s): 2:16 Nor-lok Man, 3:30 The Flacio Programmes. 4:00 Noves: A Voyage of Discovery. 4:36 The Dream Woman by Wilkle Golfine. 5:36 Hers: Radio Lives. Six Portrales of green radio 59 ures (2): Gracio Fields. 5:40 To the Back of Not Very Far Away (s): 8:36 Shipping February. 5:55 Weather.

12:00-12:05 am Merce.

6:50 News, Arts Feedback: Chris Dunkley airs listeners' comments about 89G pro-plemmes and policy. 2:38 Europhile. 739. Cat's Talls. (c). 7:30 A Good Reed, 2:00 Push ers. 2:39 Reeding Aloud: "Do Set Go Beath" (a). 2:00 Navis; Enquire Within, 2:18 The sinte-ral History Programme. 252 Westier, 2:30 Nava, Totis with Great Pleasure (a). Thereis Commisse. 11:38 Sands of Eattle Trainestall Commisse. 11:30 Seeds of Faith. 12:40-12:00